Approved by...

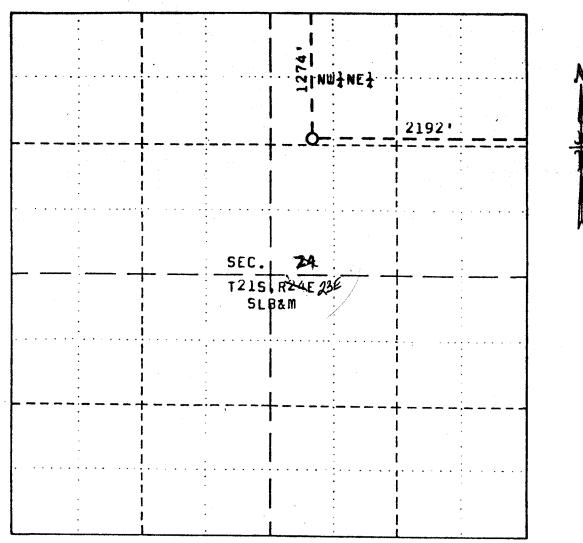
Conditions of approval, if any:

STATE OF UTAH



DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL & GAS S. Lease Designation and Serial No. APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK or Tribe Name la. Type of Work DRILL I 7. Unit Agreement Name DEEPEN | PLUG BACK b. Type of Well Well € Gas 1 Single Multiple [H. Farm or Lease Name 2. Name of Operator Farm M. D. Broadhead 9. Well No. 8. Address of Operator Gibraltar #1 P.O. Box 733 Grand Junction, Co..81502 10. Field and Pool, or Wildcat 4. Location of Well (Report location clearly and in accordance with any State requirements.*) WILDCOLD GREATEN CICCO 11. Sec., T., R., M., or Bik. and Survey or Area 336 South 1274 FNL % West 2192' FEL At proposed prod. zone S24, T21S, R24E, SLB&M S24 T21S R24E 14. Distance in miles and direction from nearest town or post office* 12. County or Parrish 13. State in the town of Cisco, Utah Grand County Utah 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig, line, if any) 16. No. of acres in lease 17. No. of acres assigned to this well 1274' 80 Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft. 19. Proposed depth 20. Rotary or cable tools 1300 rotary 21. Elevations (Show whether DF, RT, GR, etc.) 22. Approx. date work will start* 4377 January 7, 1983 28. PROPOSED CASING AND CEMENTING PROGRAM Size of Hole Size of Casing Weight per Foot Setting Denth Quantity of Cement 71 5/8 100 17 lb. cir. cement to sur 9를 TD SX Cement Exhibits Attached: location and elevation plat B Ten-Point compliance program C Blowout preventor diagram JAN 06 1983 D Multi-point requirements for APD E Route and distance roadmap F Access road and radius map of wells in area DIVISION OF G Drill pad layout OIL GAS & MINING H Drill rig layout I Production facility layout APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen of the riductive zone. If proposal is to drill or deepen directionally, give pertinent data on adhauriace locally preventer program, if any, 24. Title Operator Date (This space for Federal or State office use 43-019-31033

Title...



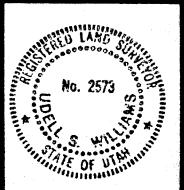
SCALE: |" + 1000"

GIBRALTER #1

Located South 1274 feet from the North boundary and west 2192 feet from the East boundary of Section 24, T215, R24E, SLB&M.

Elev. 4377

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF





UDELL S. WILLIAMS

751 Rood Avenue GRAND JUNCTION, COLORADO 81501

PLAT OF PROPOSED LOCATION

GIBRALTER #1
NWINEI SECTION 24
T215, R24E, SLB&M

DRAWN BY: USW DATE: 12/21/82 DRAWN BY: USW DATE: 12/21/82

FXHIBIT "B"

TEN-POINT COMPLIANCE PROGRAM OF NTL-6

APPROVAL OF OPERATIONS

M. D. Broadhead

Gibraltar #21 S30 T20S R2#E SLB&M Grand County, Utah 303-243-1763

. Geologic Surface Formation

The surface formation is Mancos.

2. Important Geologic Markers

Formation Depth
Salt wash 1300

3. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

Formation Depth Fluids

Gas and/or Oil and/or Water

Salt Wash 1300 Gas and/or Ull and/or was

4. Proposed Casing Program

Surface Casing:

(a) Drill 8 5/8" hole to 100' and set 7" 17-1b. cemented to surface.

(b) Drill 6 1/4" hole to 1300 and set 4 1/2" 9.5-1b. with 100-sx cement (50% excess).

5. Operator's Minimum Specifications for Pressure Control

Exhibit "C" is a schematic diagram of the blowout preventer equipment planned for use in this well. The BOP's will be hydraulically tested to 1000 psi after nippling up and after any use under pressure. Pipe rams will be operationally checked each trip. All tests will be recorded in the daily drilling report. Accessories to BOP's include Kelly Cock, safety valve, drill string BOP and choke with pressure rating equivalent to the BOP stack.

6. Type of Characteristics of Proposed Muds

The well will be drilled with air and air mist until water is encountered, then it will be completed with mud. One hundred barrels of 8.5- to 9-lb. mud will be mixed up for use in drilling or in the event it is needed to kill well or logging operations.

Auxiliary Equipment to be Used 7.

Kelly Cock will be kept in the string.

(b) A full opening stabbing valve will be on the floor for use, when the Kelly is not in the string.

A float will be run at the bit.

Monitoring equipment will be installed and used on the mud system.

8. The Testing, Logging and Coring Programs

(a) Drill stem tests are not planned at this time.

(b) The logging program will consist of Induction Electric & Compensated Nuclear Density.

No coring is planned.

Drilling samples will be caught at 30' intervals BSC to 1000; from 1200 to TD samples at 5' intervals.

9. Any Anticipated Abnormal Pressures or Temperatures Expected

No abnormal gas pressures or temperatures are expected. No hydrogen sulfide or other hazardous gasses or fluids have been reported in the area.

Anticipated Starting Date and Duration of Operations 10.

The anticipated starting date is January 31, 1983 or as soon as possible after approval of all drilling requirements.

Drilling operations should be completed 7 to 10 days after spudding.

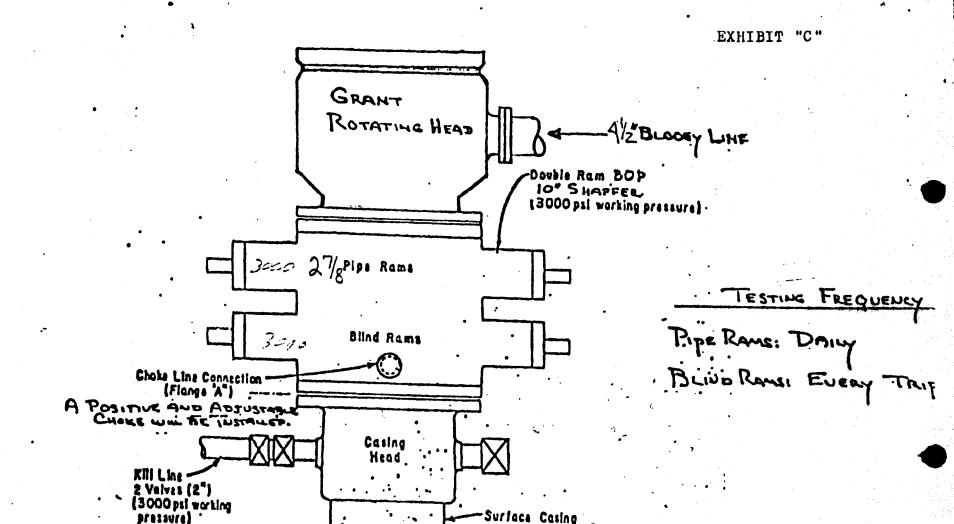


EXHIBIT "D"

MULTI-POINT REQUIREMENTS TO ACCOMPANY APD

1. Existing Roads

- A. Exhibit "A" is the proposed well site as staked by tidell williams -- and the ground elevation is shown thereon.
- Exhibit "E" is the route and distance road map. The location is 4 miles northeasterly from Cisco, Utah. Turn left on an existing dirt road and travel approximately 1/8 th of a mile and there you will see the site.

- C. Exhibit "F" is a print of the Cisco Quadrangle and shows the access road to the location.
- D. All known existing roads appear on Exhibits "E" & F"
- E. This is considered a Development Well.
- F. All roads from Cisco to the "LICCAtion" are in good condition and carry heavy truck traffic regularly. The next commile of existing roadway will be maintenance graded as equipment moves in to construct well pad.

2. Planned Access Roads

The 0.3 mile of new access road will be of minimum disturbance. The brush will be bladed off and windrowed along the Northerly side of the road.

(1) The typical section of the proposed access road will be 16' in width.

(2) Maximum grade will be 2% to 4%.

(3) No turnouts are required.(4) (5) No culverts are necessary.

(6) Surface material will be that native to the area.

(7) No gates or cattleguards are required.

(8) The proposed access road has been flagged.

3. Location of Existing Wells

For all existing wells within a one-mile radius of the development well, see Exhibit "F".

There are no water wells.

Abandoned wells - see Exhibit "F".

(3) There are no temporarily abandoned wells.

(4) There are no disposal wells.

- (5) There are no drilling wells.(6) Producing wells see Exhibit "F".

(7) There are no shut-in wells.

(8) There are no injection wells.

(9) There are no monitoring or observation wells for other resources.

4. Location of Existing and/or Proposed Facilities

- A. Within a one-mile radius of this location are existing facilities owned or controlled by lessee/operator as shown on Exhibit "F".
- Exhibit "I" shows all anticipated production facilities. (1)

The dimensions of production facilities shown on Exhibit "I" are

drawn to a scale of 1" = 40'.

- The only construction materials needed from outside the location would be gravel for a pad under separator and/or dehydrator unit. Gravel would be trucked into the location over the access road by the dirt contractor from the nearest commercial pit in the Cisco area.
- (4) If a small pit is required, it will be fenced and flagged.
- C. Rehabilitation, whether the well is productive or not, will be made on unused areas as soon as practical in accordance with the restoration plans presented in Item 10 following.

5. Location and Type of Water Supply

- Water will be trucked from Cisco Springs, 11; road miles Westerly of the location.
- B. Water will be trucked over the access road by oilfield water trucks.
- C. No water well is planned.

6. Source of Construction Materials

A., B., C., D.

No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from local gravel pit in the Cisco area. No special access other than for the drilling operation is needed.

7. Methods for Handling Waste Disposal

- (1) Drill cuttings will be buried in the reserve pit when covered.
- (2) Drilling fluids will be contained in steel mud pits and the reserve pit. These fluids will be disposed of in the reserve pit.
- (3) Any hydrocarbon liquids produced while drill stem testing or production testing will be collected in a test tank set near the pipe baskets or near the wellhead. Any unavoidable spills of oil or other adverse substances or materials will be covered or removed immediately during drilling progress or during completion operations.
- (4) Chemical toilet facilities will be provided for human waste.
- (5) Garbage and trash will be collected in a trash cage and its contents hauled to the nearest designated landfill.
- (6) The entire site will be cleaned up and restored to a smooth contour when the rig moves out. Unly that part of the location required for production will be used.

8. Ancillary Facilities

No air strips, camps or other living facilities will be built off the location. The normal trailers will be on the location as seen on Exhibit "H".

9. Well Site Layout

- (1) Exhibit "G" is the drill pad layout. Topsoil will be stockpiled to specifications determined at the pre-drill inspection.
- (2) (3) The mud tanks, reserve pit, trash cage, pipe racks, living facilities, and soil material stockpiled, rig orientation, parking areas and access road are all shown on Exhibit "H".
 - (4) The reserve pits will not be lined. Steel mud tanks will be used, and are shown on Exhibit "H". If water is produced in production, an NTL-2b study will be initiated.

10. Plans for Restoration

- (1) Backfilling, leveling, and recontouring will be accomplished as soon as possible after plugging of the well, and on those unused areas if production is obtained. Waste disposal and spoils materials will be buried or hauled away.
- (2) Rehabilitation will be accomplished by recontouring as best practical back to blend with original contours. The stockpiled topsoil will be spread, along with ripping of the pad and road area (if so desired by surface owner). Revegetation will be accomplished using grasses chosen by B.L.M.

- (3) Three sides of the reserve pit will be fenced prior to drilling operations. Upon rig release, the reserve pit will be fenced on the fourth side and will remain until recontouring and cleanup operations are completed.
- (4) Any oil spills will be immediately reported, cleaned up, or flagged.
- (5) Rehabilitation operations will commence as soon as practical after rig moves off location. Earth work and seeding will be done during spring of 1983 rif possible.

11. Other Information

As indicated on Exhibit "F", the topography of the location vicinity has very little relief. The location lies on a gentle plain which slopes Southeasterly 1-2%. This location lies Northwesterly of the existing Agate Oil Field.

The soil is a light tan to grey shallow soil, typical of Mancos formation.

The vegetation in the immediate area surrounding the location is sagebrush, Matt saltbush, shadscale, prickly pear cactus, Russian thistle, greasewood, and cheatgrass.

The fauna of the area consists of cattle, sheep, antelope, rabbits, lizards, ravens, meadow lark, killdeer, ground sparrows and martens.

The surface ownership is B.L.M. The surface use is grazing, petroleum production, and recreation.

The nearest live water is Cisco Springs, 10% air miles Westerly of the location.

The nearest occupied dwelling is in Cisco, Utah, 3 ½ road miles Southwesterly of the location, as shown on Exhibit "E".

There are no visible archaeological, historical, or cultural sites within any reasonable proximity to the proposed location site.

There are no reported restrictions or reservations noted on the oil and gas lease.

12. Lessee's or Operator's Representative

M. D..Broadhead P.O. Box 733 Grand Junction, Co. 81502 Telephone (303) 243-1763

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by my contractors and subcontractors in conformity with this plan and terms and conditions under which it is approved.

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Name and Title

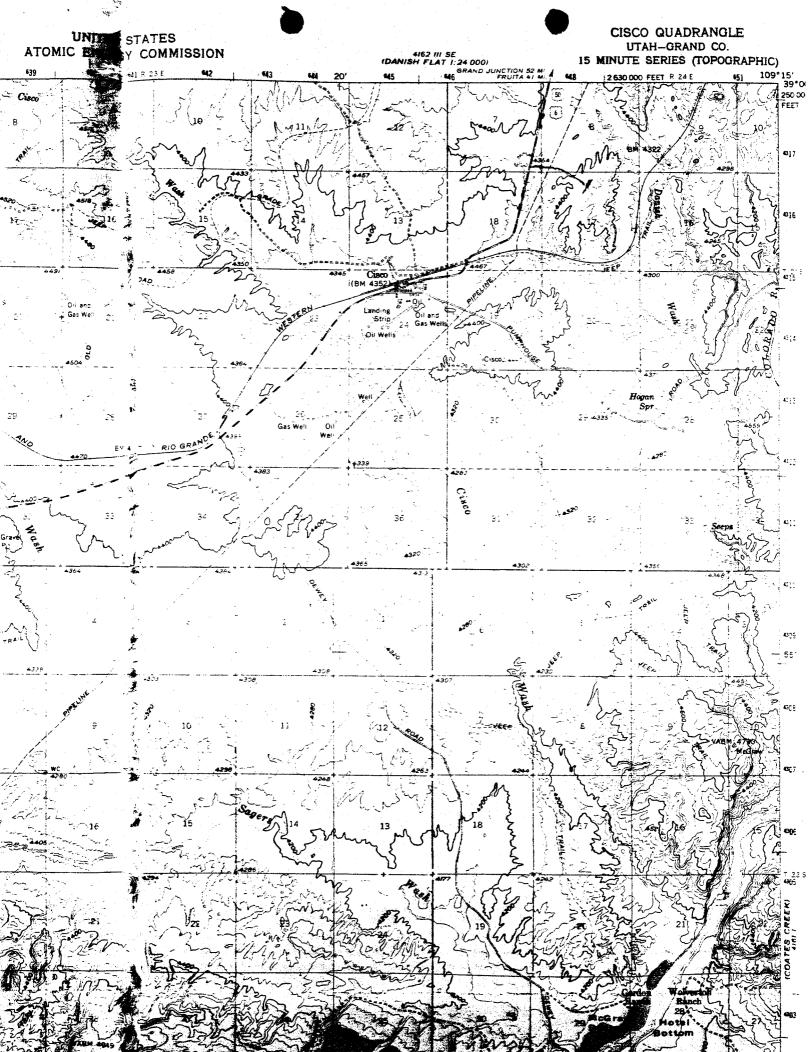


Exhibit "G"
Drill Pad Layout
Gibraltar #2
Grand County, Utah

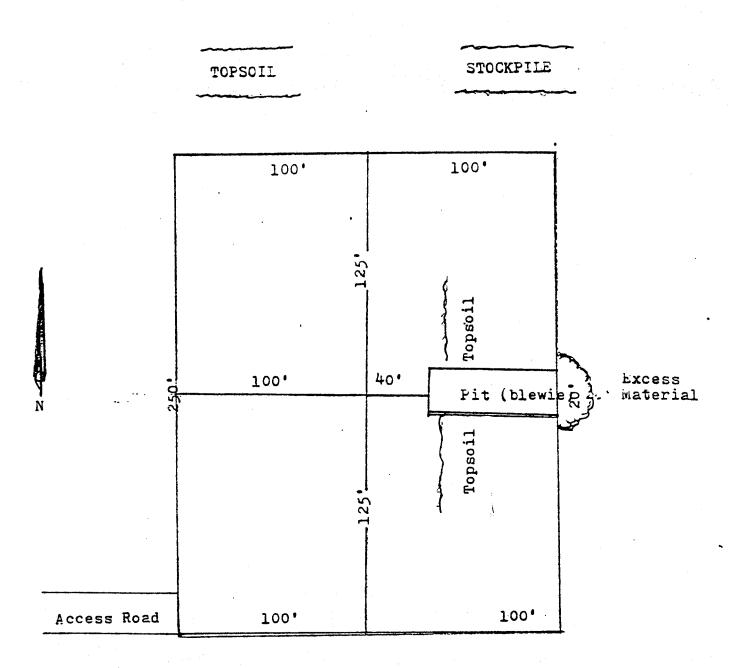
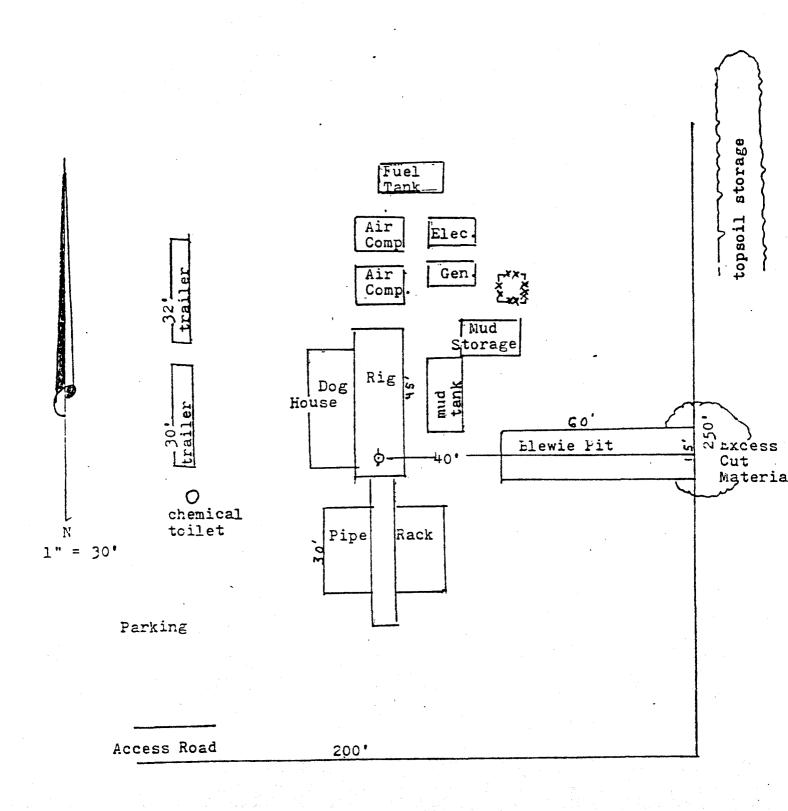
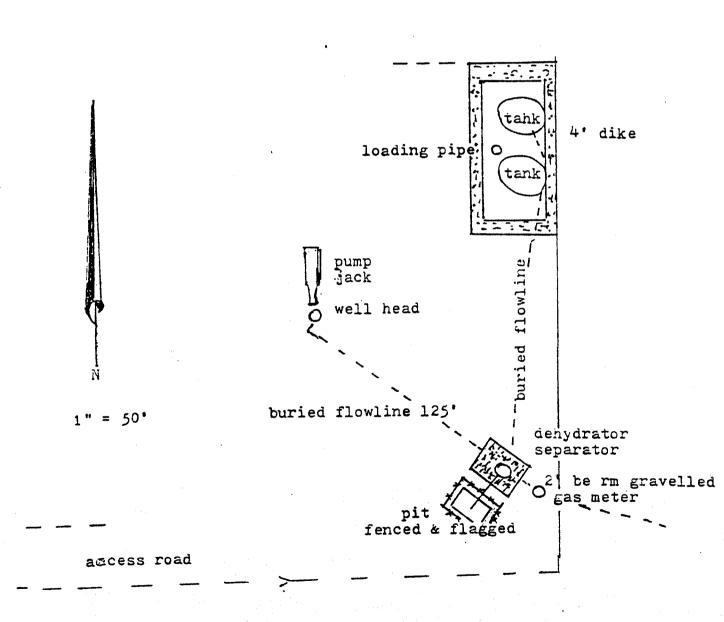
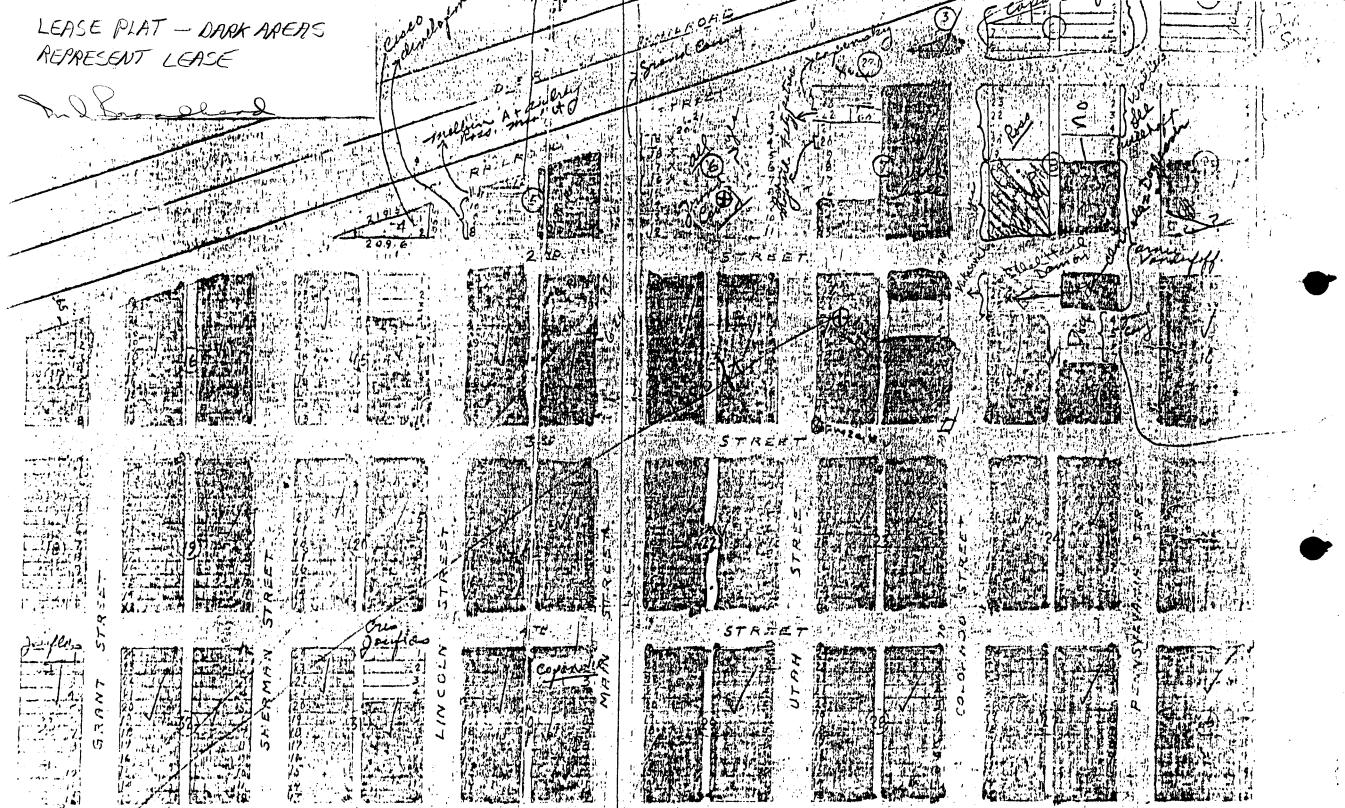


Exhibit "H"
Drill Rig Layout



1.





| OPERATOR | MO BACK | 10/160ks | | | DATE | -6-83 |
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| V | RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP |
|---------|---|
| | AUTHENTICATE LEASE AND OPERATOR INFORMATION |
| W | VERIFY ADEQUATE AND PROPER BONDING 19-0/30-10326-83-1 |
| | AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC. |
| | APPLY SPACING CONSIDERATION |
| a salah | ORDER 102-47 |
| | UNIT |
| | C-3-b |
| | C-3-c |
| | OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR. |
| | IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER |

January 28, 1983

M. D. Broadhead P. O. Box 733 Grand Junction, Colorado 81502

RE: Well No. Gibralter #1
NWNE Sec. 24, T.21S, R.23E
Grand County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil/gas well is hereby granted in accordance with the Order issued in Cause No. 102-47 dated January 27, 1983. Approval is conditionally granted pending results of the amended show cause notice which was necessary to correct the well location. Any drilling operations conducted prior to the termination of the required 10 day objection period, will be done at the risk of the operator.

Should you determine that it will be necessary to plug and abandon this well, you ase hereby requested to immediately notify the following:

RONALD J. FIRTH - Engineer

OR

CLEON B. FEIGHT - Director

Office: 533-5771 Home: 571-6068

JK

Office: 533-5771 Home: 466-4455

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (acquifiers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-019-31033.

Sincerely,

Nomman C. Stout

Administrative Assistant

NCS/as Enclosure



Scott M. Matheson, Governor Temple A. Reynolds, Executive Director Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

September 15, 1983

M. D. Broadhead P. O. Box 733 Grand Junction, Colorado 81502

> Re: Well No. Gibralter # 1 1274' FNL, 2192' FEL NW NE, Sec. 24, T. 21S, R. 23E. Grand County, Utah

Gentlemen:

In reference to the above mentioned well, considerable time has gone by since approval was obtained from this office.

This office has not received any notification of spudding. If you do not intend to drill this well, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. If you plan to drill this location at a later date, please notify as such.

We will be happy to acknowledge receipt of your response to this notice if you will include an extra copy of the transmittal letter with a place for our signature, and a self addressed envelope for the return. Such acknowledgement should avoid unnecessary mailing of a second notice from our agency.

Your prompt attention to the above will be greatly appreciated.

Respectfully,

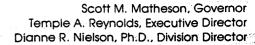
DIVISION OF OIL, GAS AND MINING

ari Furse

Cari Furse

Well Records Specialist

CF/cf





4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

March 6, 1984

M. D. Broadhead
P. O. Box 733
Grand Jet., Colorado 81502

RE: Well No. Gibralter #1
1274' FNL, 2192' FEL NW/NE
Sec. 24, T. 21S, R. 23E.
Grand County, Utah

Dear Mr. Broadhead:

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded effective one calendar month from the date of this notice.

A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

Respectfully,

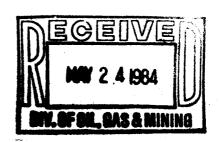
Norman C. Stout

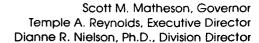
Administrative Assistant

NCS/cj

cc: Dianne R. Nielson, Director

Ronald J. Firth, Associate Director







4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

May 29, 1984

M. D. Broadhead P. O. Box 733 Grand Junction, Colorado 81502

> RE: Well No. Gibralter #1 1274' FNL, 2192' FEL NW/NE Sec. 24, T. 21S, R. 23E. Grand County, Utah

Dear Mr. Broadhead:

Our office sent you a letter dated March 6, 1984, rescinding your application on this well because you had not sent any information regarding spudding or drilling of this location. A physical on-site inspection, however, has revealed that there is a new, producing well at this location.

This office has not received notification of spudding, monthly drilling reports, a "Well Completion Report" or production reports for the above subject well.

The on-site identification of wells in the Cisco area presents a problem, because many wells are not properly marked, however, if our on-site inspection has been accurate, you are in serious violation of State laws. Penalty for willfull violation can amount to \$10,000 per each day of violation after due process.

Your prompt attention to this matter is of the utmost importance. We are, therefore, enclosing the appropriate forms for your compliance with these rules.

Respectfully,

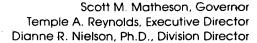
Norman C. Stout

Administrative Assistant

NCS/cj

Enclosures

cc: Dianne R. Nielson, DOGM Ronald J. Firth, DOGM file





4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

August 27, 1984

Mr. M. D. Broadhead P.O. Box 733 Grand Junction, Colorado 81502

2nd NOTICE

Dear Mr. Broadhead:

Re: Well No. Gibralter #1 - Sec. 24, T. 21S., R. 23E-Grand County, Utah - API #43-019-31033

Our office sent you a letter dated March 6, 1984, rescinding your application on this well because you had not submitted any information regarding spudding or drilling of this location. On May 17, 1984, however, a physical on-site inspection revealed that there is a new, producing well at this location. On August 1, 1984 another inspection was made. Enclosed is a copy of that report.

Rule C-5 of The Oil and Gas Conservation General Rules and Regulations and Rules and Practice and Procedure states that within ninety (90) days after the suspension of operations on, abandonment of, or the completion of any well drilled for the production of oil and/or gas, and within ninety (90) days after the completion of any further operations on the well, if such operations involved drilling deeper or drilling or redrilling any formation, a well log shall be filed with the Commission on a form prescribed by the Commission, (Form OGC-3), together with a copy of the electric and radioactivity logs, if run.

Enclosed are the necessary forms for your convenience in bringing this well into compliance with the aforementioned.

We will be happy to acknowledge receipt of response to this notice if you will include an extra copy of the transmittal letter with a place for our signature, and a self addressed envelope for the return.

Page 2 Mr. M. D. Broadhead Well No. Gibralter #1 August 27, 1984

**You are in violation with the above rule. If you wish to continue developing business in the State of Utah, compliance with pertinent rules and regulations is essential. Further delay in your attention to the above matter may result in punitive action. Please submit the required information as stated above within fifteen (15) days.

Respectfully,

Norman C. Stout

Administrative Assistant

clj

Enclosures (2)

cc: D. R. Nielson

R. J. Firth

J. R. Baza

File

89690

SIGNED

SUBMIT IN DUPLIC (See other instruct on reverse side)

56 64 OT

DEPARTMENT OF NATURAL RESOURCES 5. LEASE DESIGNATION AND SERIAL NO. DIVISION OF OIL, GAS, AND MINING Fee APT #43-010-31033 WELL COMPLETION OR RECOMPLETION REPORT AND LOG* OIL X 7. UNIT AGREEMENT NAME L TYPE OF COMPLETION: OVER _ WELL X DIFF. PLGG S. PARM OR LEASE NAME Other Farm 2. NAME OF OPERATOR M.D. Broadhead 9. WELL NO. DIVISION OF OU 3. ADDRESS OF OPERATOR P.O. Box 733 Grand Jct., Co 8150 AS & MINING Gibraltar #1 4. LOCATION OF WELL (Report location clearly and in accordance with day State requirements). Greater Cisco At surface Sec. 24, T21S., R 23E Grand Co. Utah 11. SEC., T., B., M., OR BLOCK AND SURVEY OR AREA At top prod. interval reported below 1274 FNL 2192 FEL NW/NE S. 24 T21S R23E At total depth 742 14. PERMIT NO. 13. STATE 12. COUNTY OR PARISH DATE ISSUED 43-019-31033 1/28/1983 Grand Utah 16. DATE T.D. REACHED | 17. DATE COMPL. (Ready to prod.) 15. DATE SPUDDED 19. ELET. CASINGREAD 18. ELEVATIONS (DF. RES. RT. GR. ETC.)* 4377 2/20/83 Fob 1083 CABLE TOOLS . 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., ROTARY TOOLS 23. INTERVALS DEILLED BY Rotary 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TYD)* 25. WAS DIRECTIONAL 684 - 694 Saltwash No 26. TIPE ELECTRIC AND OTHER LOGS BUN 27. WAS WELL CORED No / Compensated density neutron Dual CASING RECORD (Report all strings set in well) CASING SIZE WEIGHT, LB./FT. HOLE SIZE CEMENTING RECORD AMOUNT PULLED lb. 5/8 100' 8 cir. to surface Sx cement 730 LINER RECORD TUBING RECORD 30. SCREEN (MD) 2172 TOP (MD) BOTTOM (MD) SACKS CEMENTS DEPTH SET (MD) PACKER SET (MD) 3/8 31. PERFORATION RECORD (Interval, size and number ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED ten shots 684' - 694' 684-694 Shot 2 per ft. KCL mini fracw/surfautant N.E. agent 33. • PRODUCTION DATE FIRST PRODUCTION PRODUCTION METHOD (Flowing, gas lift, pumping-size and type of pump) TELL STATUS (Producing or 5/9 83 ele. mtr. pump jack CHOKE SIER PROD'N. FOR OIL-BAL GAS-MCF. WATER-GAS-OIL BATIO TEST PERIOD PLOW, TUBING PRESS. CASING PRESSURE CALCULATED OIL-BBL GAS-YCY. JAH-BAL GIL GRAVITY-API (CORR.) 24-HOUR BATE 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITHESSED BY 35. LIST OF ATTACEMENTS

Operator

DATE

9/6/84

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

TITLE .

INSTRUCTIONS

and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.
If not flied prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, ares, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency.

item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State should be listed on this form, see Item 35.

Hens 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval to be separately produced, showing the additional data pertinent to any multiple stage cementing and the location of the cementing tool. liem 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. or Federal office for specific instructions.

item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

Dokola

C.

69

| 27. SUMMARY OF POROUS ZONES: | OUS ZONES: | ROSITY AND CONTEST | MARY OF POROUS ZONES: SHOW ALL IMPORTANT KONES OF PORSETY AND CONTEMYS THERMOP; COREO INTERVALS; AND ALL DRILL-STEM TRETS, INCLUDING | 88. GEOLOG | GEOLOGIC MARKERS | |
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Scott M. Matheson, Governor Temple A. Reynolds, Executive Director Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 24, 1984

CERTIFIED RETURN RECEIPT REQUESTED P-402-457-087 Mr. M.D. Broadhead Oil and Gas Operator 1645 N. 7th Street Grand Junction, Colorado 81501

Dear Mr. Broadhead:

Re: Gibralter 1, Sec. 24, T. 21S, R. 23E, Grand County, Utah.

Subsequent inspections of the above referenced well indicate that no attempt has been made to clean up the spill, stop the leak, or build a pit and dike the tanks, wellhead and pit to prevent future spills. As previously discussed on September 18, 1984.

Rule C-17-Pollution and Surface Damage states that the owner shall take all reasonable recautions to avoid polluting streams, reservoirs, natural drainage ways and underground water. At no time shall brackish water impounded in earthern pits be allowed to escape over adjacent lands or into streams.

The cil spill is also a violation of Rule C-14-Fire Hazards on surface where all rubbish or debris that might constitute a fire hazard shall be removed to a distance of a least 100 feet from the well location, tanks, and separator or any structure. All waste oil and/or gas shall be burned or disposed of in a manner to avert creation of a fire hazard.

The Board of Oil, Gas and Mining is authorized to seek civil penalties of up to \$10,000 per day for each day of violation if a noncompliance is determined to be willful and negligent. Therefore, please inform this office immediately of your intent concerning above requirements to avoid further action.

Page 2 M.D.Broadhead December 24, 1984

Your prompt attention to correct these matters will be greatly appreciated.

Sincerely,

William E. Moore

Oil and Gas Field Specialist

Mloom & Moore

sb

Enclosures

cc: R.J. Firth

J.R. Baza

Well File

9686T-33-34



Norman H. Bangerter, Governor Dee C. Hansen, Executive Director Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

February 28, 1985

TO:

J.R. Baza, Petroleum Engineer

FROM: William Moore, Oil and Gas Filed Specialist

RE:

Gibralter # 1, T.21S, R.23E, Sec.24, Grand County, Utah.

This memo is to serve as a record of the personal contacts regarding the above referenced well.

A letter regarding this well was sent by Claudia Jones of this Division to Mr. M.D. Broadhead on May 4, 1984. The site was subsequently inspected on May 17, 1984 and found to be producing, however, no reports of any kind were filed. On August 1, 1984 the well was again inspected and the pump jack was found tipped over and leaking oil. The problem was then referred to you.

Attempts to contact Mr. M.D. Broadhead succeeded on September 10, 1984 at which time I informed him of the problems. The well was subsequently inspected on September 18, 1984, where the sign was found posted, but no clean up had been attempted. Future inspections revealed the same conditions. On December 24, 1984 I sent a certified letter regarding the well and on January 10, 1985, I received a phone call from Walter D. Broadhead, his father, stating that he will inform his son because he was out of the country at that time.

9686T-63 WELL FILE



Norman H. Bangerter, Governor Dee C. Hansen, Executive Director Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 10, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. M. D. Broadhead 1645 North 7th Street Grand Junction, Colorado 81501

Gentlemen:

Re: Well No. Gibralter #1 - Sec. 24, T. 21S., R. 23E. Grand County, EUtah - API #43-019-31033

According to information received by this office from one of our inspectors, the above referenced well is no longer operated by you. We have not received the proper notification concerning this change.

Please submit a "Sundry Notice", form OGC-1b, with the name, address and phone number of the new operator and the date the change became effective. We have enclosed forms for your convenience.

May we please have this information as soon as possible, but not later than June 24, 1985

Sincerely,

Pam Kenna

Well Records Specialist

clj Enclosure cc: Dianne R. Nielson Ronald J. Firth John R. Baza File Suspense File 0063S-30

7/1/85 0900 has.

Gibraltar # 1 Sec. 24, T215, R23 E Grand Co., Ut.

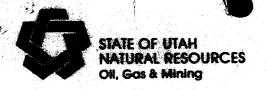
TD = 742'

Slot @ 684-694'

(D) Will coment outire hole top to bottom (E) If hole cannot be comented in this manner, will set plug over perfs and surface plug.

Bud Broadhead to SRB via Telaphone Conversation.

Gave verbal approval to PXA



Norman H. Bangerter, Governor Dee G. Hansen, Executive Director Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

November 5, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. M. D. Broadhead P.O. Box 733 Grand Junction Co 81502

Dear Mr. Broadhead:

Re: Well No. Gibralter #1 - Sec. 24, T. 21S., R. 23E. Grand County, Utah - API #43-019-31033

According to information provided by one of our field inspectors, you no longer operate the above referenced well. However, we have not received the proper notification concerning this change, and therefore we request that you continue reporting responsibilities. Those responsibilities have been neglected entirely since the well was completed May 9, 1983. Please submit monthly production and disposition data from time of completion to the current report period. A proper "Change of Operator" should also be submitted if you in fact no longer operate the well.

This office will expect a reply to this letter as soon as possible, but no later than November 15, 1984. Please send your reply with explanatory cover letter to Attention: Suspense File - Norman C. Stout.

Respectfully,

Norman C. Stout

Administrative Assistant

clj Enclosures cc: Dianne R. Nielson Ronald J. Firth File 0063S-12 Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 801-538-5340

March 30, 1993

CERTIFIED RECEIPT REQUESTED P 540 713 812

Mr. Wesley Pettingill P. O. Box 213 Roosevelt, Utah 84066

Dear Mr. Pettingill:

Re: Monthly Oil and Gas Production and Disposition Reports

Utah Admin. R. 649-8-11 and R. 649-8-12 require that the above referenced reports be submitted to the Division by the fifteenth day of the second calendar month following the month of production. Presently, our records indicate that you are the person responsible for submitting the following delinquent reports:

June 1991 through February 1993

You are requested to prepare and submit these reports no later than April 30, 1993. Enclosed is a copy of each report form for your use in preparing these reports.

In the event that you fail to comply with this request, the Division will request that the Board, on its own motion, require you to appear and show cause why you have not submitted the required reports.

Page 2 Mr. Wesley Pettingill March 30, 1993

If you have questions regarding the completion of these forms, please contact Vicky Carney at (801) 538-5340.

Sincerely,

Associate Director, Oil & Gas

vlc

Enclosures

cc: J. W. Carter

D. T. Staley
V. L. Carney

L. D. Clement

Production File

TAN DEED

States of Grant County

GRAND County, a body corporate and politice (Politic) of the State of Utah, granter, hereby conveys to VERLEY PETTERSILL

grantee, of EL. CHARESHE, UT

the following described visite distributions of the County, Utah:

API. MO. 43-019-31033 P.O. C.,
Wall No. Olbraltor of
My NE. Sec 24, 7215, RESE, SLEM

API. NO. 43-019-31083 WELL NO. Otheration TB LA. STUTUS. SE HN, Sec 24, 7215, R23E

This conveyance is made in concideration of payment by the grantee of the sum of \$.265.50 delinquent taxes, possition, interest and costs constituting a charge against said real estate, which was sold to only ounity at preliminary sais for nonpayment of general taxes assessed against it for the years \$5.50.38 in the sum of \$.155.60 Detail this day of the sum of \$.155.60 Detail this day of the sum of \$.155.60 Detail this day of the sum of \$.155.60 Details the sum

County of Grand

De Jane County Clerk-Auditor

STATE OF UTAH

COUNTY OF ... GRAND

53.

On this 4th day of JUNE 1991, personally appeared before me

FRAN TONGERO who being by me duly every did say that We ske is the duly elected, qualified and acting County Clerk of FRAND County, and that said instrument was signed in behalf of FRAND County by authority of the laws of the State of Utah, and said FRAN TONGSEND saknowledged to me that GRAND County duly executed the same.

Ley Mas noorlander

HOAB, GRAND County, Uteh

Killy Co., 38 W. Nihyh Ég.

BOOK481 Page 388

S DATE OF FRELIMINARY SALE TAXING DISTRICT 246.60 8 1.75 Sald-the War Long Party of the College of the Colle Charles and Course Carl CERTIFICANE PARTA C: 303. 242. - 3664 こうこと 教養をはるないないのです。こ ADDRESS DATE DESCRIPTION OF PROPERTY Swadskad Dry 133 POSTING REFERENCE EXPLANATION NAME AND ADDRESS OF OWNER DATE BALANCE TAXES ALL YEARS ASSIGNED TO REDEEMED BY CREDIT 10-705 23 65#

The state of the s

| | OR CHANGE WORKSHEET | • | | Routing |
|--------------------------|--|--|--|--|
| tach a | Il documentation received by the division regardach listed item when completed. Write N/A if | | able. | 1- LEC 7-LEC 2- DESTS 3- VLC 4- RJF |
| • | | Designation of Operator Name (| 2 | 5- RWM 6- ADA |
| ne ope | rator of the well(s) listed below ha | s changed (EFFEC | TIVE DATE: 6-4-91 |) |
|) (new | (address) PETTINGILL, WESLEY (address) PO BOX 213 ROOSEVELT UT 84066 | | operator) BROADHEAI (address) (NO KNOW | |
| | phone <u>(801)482-2591</u> account no. <u>N</u> 7190 | _ _ _ | phone (account |) no. <u>N 9745</u> |
| ell(s) | (attach additional page if needed): | | | |
| Vame: | API: 43-019-310 | 33 Entity: 11319 | Sec24 Twp21SRng23 | E lease Type: FEE |
| Vame:_ | API: | Entity: | SecTwpRng | Lease Type: |
| Name:_ | API: | Entity: | SecTwpRng | _ Lease Type: |
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| <u>l</u> <u>ec</u> 2. | (Rule R615-8-10) Sundry or other operator (Attach to this form). χU_{na} (Rule R615-8-10) Sundry or other leg | ble to locate, see /. Mal documentation | AX VEFO | |
| | (Attach to this form). * TAX DEED & Bo. | MD | | |
| <u>1/4</u> 3. | The Department of Commerce has been operating any wells in Utah. Is coyes, show company file number: | ompany registere | e new operator above d with the state? | e is not currently (yes/no) If |
| <i>la</i> 4. | (For Indian and Federal Hells ONLY (attach Telephone Documentation Fo comments section of this form. Machanges should take place prior to comments and the place prior to compare the comments and the place prior to compare the compared to the compared the compared to the | rm to this rep nagement review | ort). Make note of of Federal and In d | of BLM status in l ian well operator |
| <u>ll</u> 5. | Changes have been entered in the Oillisted above. (3-23-93) | l and Gas Inform | ation System (Wang/ | IBM) for each well |
| <u>le</u> 6. | Cardex file has been updated for eac | h well listed at | oove. (3-73-93) | |
| <i> </i> / | Well file labels have been updated f | | | |
| <u>lec</u> 8. | Changes have been included on the m for distribution to State Lands and | nonthly "Operator the Tax Commissi | r, Address, and Acco ion. <i>(3-23-93</i>) | ount Changes" memo |
| <u>lec</u> 9. | A folder has been set up for the Opplaced there for reference during ro | perator Change fouting and proces | ile, and a copy of ssing of the origina | this page has been 1 documents. |
| | | | | |

DPERATOR CHANGE WORKSHEET

| RATOR CHANGE WORKSHEET (CONTINUED) Init each item when completed. Write N/A | item is not applicable. |
|--|--|
| TITY REVIEW | |
| 1. (Rule R615-8-7) Entity assignments have been reviewed for a entity changes made? (yes/no) (If entity assignments we Form 6, Entity Action Form). | all wells listed above. Were ere changed, attach <u>copies</u> of |
| 2. State Lands and the Tax Commission have been notified tentity changes. | through normal procedures of |
| ND VERIFICATION (Fee wells only) | |
| 1. (Rule R615-3-1) The new operator of any fee lease, well I proper bond. Rec'd 3-23-93, Cert of Dep. "First Security Bank of With" (#1,0 | amount at routing. |
| 13. The former operator has requested a release of liability for Today's date <u>march 23</u> , 19 <u>93</u> . If yes, division is dated | rom their bond (yes no) response was made by letter red per Admin. |
| ASE INTEREST OWNER NOTIFICATION RESPONSIBILITY 1. (Rule R615-2-10) The former operator/lessee of any fee leas notified by letter dated 19, of their person with an interest in such lease of the change of open notification has been requested. 2. Copies of documents have been sent to State Lands for change | responsibility to notify any rator. Documentation of such |
| LMING Rwa ∠1. All attachments to this form have been microfilmed. Date: _ | april 6 1993. |
| LING | |
| <u>L</u> 1. <u>Copies</u> of all attachments to this form have been filed in ea | ch well file. |
| 2. The <u>original</u> of this form and the <u>original</u> attachments hav Change file. | e been filed in the Operator |
| MMENTS | |
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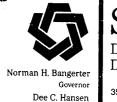
DIVISION OF OIL, GAS AND MINING

| | | D HIMING | | |
|--|--|--|---|---------------------------------------|
| | | | 5. LEASE DESIGNA | TION & SERIAL NO. |
| (Do not use this form for | NOTICES AND REPOR | plug back to a different reservoir. | 6. IF INDIAN, ALLO | TTEE OR TRIBE NAME |
| OIL GAS | THER | DECEMINATO | 7. UNIT AGREEMEN | TNAME |
| NAME OF OPERATOR | IAEK | LA COLOR OF THE | 8. FARM OR LEASE | |
| Wesley Pettingill | | | | |
| ADDRESS OF OPERATOR | | 11AY 1 2 1995 | Gibralter 9. WELL NO. | |
| P. O. Box 213 Re | oosevelt UT 84066 - 02 | 213 | #1 | |
| LOCATION OF WELL (Report local See also space 17 below.) | ation clearly and in accordance with any So | tate requirem NISION OIT | 10. FIELD AND POO | L. OR WILDCAT |
| At surface | | CIL GAS & MINING | | |
| At proposed prod. zone | | | 11. SEC., T., R., M., C SURVEY O | |
| - APT NO | | | Sec 24, T | 21S R23E |
| | 15. ELEVATIONS (Show who | ether DF, RT, GR, etc.) | 12. COUNTY | 13. STATE |
| 43-019-31033 | | | Grand | UT |
| ^{8.} C | heck Appropriate Box To Indic | cate Nature of Notice, Report or | Other Data | |
| | of intention to: | | SEQUENT REPORT OF: | |
| TEST WATER SHUT-OFF | PULL OR ALTER CASING | WATER SHUT-OFF | | |
| FRACTURE TREAT | MULTIPLE COMPLETE | FRACTURE TREATMENT | | NG WELL |
| SHOOT OR ACIDIZE | ABANDON | SHOOTING OR ACIDIZING | | NMENT* |
| REPAIR WELL | CHANGE PLANS | (Other) | | |
| (Other) | | (Note: Report rest Completion or Re | ilts of multiple completic completion Report and | on on Well |
| Operator Self-Ceri | | DATE OF COMPLETION | | 200 - |
| | | early state all pertinent details, and gi | | |
| starting any proposed work, pertinent to this work,) | If well is directionally drilled, give s | subsurface locations and measured and | true vertical depths for impanied by a cement | all markers and zone |
| responsible under 1 ducted thereon. Th | the terms and condition This well was purchased | I is now the operator ons of the lease for a d from Grand County at by Grand County to Wes | of this well and the lite tax sale is | nd is con- |
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| 3. I hereby certify that the fore | egoing is pose and correct? | | | · |
| SIGNED Wasley | tellingell TITLE | Owner | DATE <u>5/1</u> | 1/93 |
| (This space for Federal or St | ate office use) | | | |
| APPROVED BY | MINT N | | - | |
| CONDITIONS OF APPROV | AL, IF ANY: | | DATE | · · · · · · · · · · · · · · · · · · · |

DEPARTMENT OF NATURAL RESOURCES



| | ON OF OIL, GAS, AND MINING | | 5. LEASE DESIGNATION AND SEPIAL NO. |
|---|---|---|--|
| | | | Fee |
| (Do not use this form for proposition Use "APPLICA" | CES AND REPORTS ON Wals to drill or to deepen or plug back to a TION FOR PERMIT—" for such proposals. | VELLS different reservoir. | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| OIL UAB OTREE | | | 7. UNIT AGREEMENT NAME |
| NAME OF OPERATOR | | | 8. FARM OR LEASE NAME |
| ADDRESS OF OPERATOR | | | 9. WBLL NO. |
| | | | Gabralter #1 |
| See also space 17 below.) At surface 1274 FNL, 219 | early and in accordance with any State re | quirements. • | 10. PIBLD AND POOL, OR WILDCAT Greater Cisco 11. BBC., Z., B., M., OB BLE. AND |
| | | | T215, R23E, Sec. 24 |
| 4. PERMIT NO. | 15. SLEVATIONS (Show whether DF, RT, GR, | eta.) | 12. COUNTY OR PARISH 18. STATE |
| 43-019-31033 | | | Grand UT |
| S. Check Ap | propriate Box To Indicate Nature | | • |
| NETHI TO EDITOR | TION TO: | UPEREUR | ENT REPORT OF: |
| PRACTURE TREAT | CULTIPLE COMPLETE | WATER SHUT-OFF PRACTURE TREATMENT SHOUTING OR ACIDIZING | REPAIRING WELL ALTERING CASING ASANDONMENT® |
| REPAIR WELL (Other) | HANGE PLANS | (Other) | of multiple completion on Well |
| | RATIONS (Clearly state all pertinent details nally drilled, give subsurface locations and | the section of dates | tion Report and Log form.) including estimated date of starting an |
| Essective as of of the above de | - M241,1986 Ic | em no longer | the Operator |
| | SCYIDED WEIL, | | |
| or the above he | scribed Well, | | |
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| | | | DATE 11986 |
| 18. I hereby certify that the foregoing i | s true and correct | | DATE |



Executive Director

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MINING

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 Dianne R. Nielson, Ph.D. 801-538-5340 Division Director

December 6, 1991

To:

R. J. Firth

D. T. Staley

J. L. Thompson

S. L. Schneider

From:

Lisha Romero

Re:

Wells listed under N0000/Unknown Operator on Fee and

State leases.

All wells previously listed under N0000/Unknown Operator on Fee and State leases, have been changed back to the last known operator, based on information obtained from the well files. Wells that are currently in Shut-In, OPS, or TA status have been assigned Entity numbers. Bond availability has been reviewed for wells on Fee land. Operator's with unplugged wells will now show up on the monthly turnaround report under the last known operator, except for those wells with TA or OPS status. However, due to the fact that the majority of these operators no longer exist, and the fact that the wells have been in unknown operator status for several years, the operator's addresses have been X'd out to prevent mailing of the monthly report.

My intentions are to follow-up with St. Lands/Ed Bonner on lease cancellations, assignments & bonding for wells drilled on State leases.

The Tax Commission will be notified of these changes, and asked to continue to hold off on any action until DOGM advises otherwise.

I hope this change assists in determining future action regarding the unplugged wells within the state. I have attached information for your review. Please advise me of any additional steps to take.



355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Ut 84180-1203. ● (801-538-5340)

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| Page | | OT | |



MONTHLY OIL AND GAS PRODUCTION REPORT

| Operator name and address: | | | | | | | | |
|--|-------------|-------|------------------------|----------------|--|--|--|--|
| BROADHEAD, M D P O BOX 733 GRAND JUNCTION CO 81502 ATTN: PRODUCTION ANALYST | | | | | Utah Account No. N9745 Report Period (Month/Year) 11 / 91 | | | |
| ATTN: PRODUCTION ANAL | _131 | | | | Amended Report | | | |
| | | T | | | | N. Control of the Con | | |
| Well Name API Number Entity Location | Producing | 1 . | Production \ Oil (BBL) | Volume | C - (24005) | | | |
| GIBRALTER #1 4301931033 11319 21S 23E 24 | SLTW | Oper | On (BBL) | | Gas (MSCF) | Water (BBL) | | |
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| Comments (attach separate sheet if nece | ssary) —— | | | Ay wildown | | | | |
| | | | | 2-11 | | | | |
| | | | 11 | | , | | | |
| have reviewed this report and certify the | information | to be | accurate and | complete. | Date | | | |
| orized signature | | | | | Telephone | | | |
| Specifical Organical C | | | | | | | | |

FEE LEASES

Associated Energy Corp./P0061

Broadhead, M.D./N9745

Burnham Oil Co./P0531

Caltah Oil Company/P0397

Carbon Emery Producers/P0126

D & D Oil Co./P0794

Delta Petroleum & Energy/P0032

H.M. Byllesby & Co./P0215

Midway Oil & Refining Co.

Milagro Energy Resources/N2590

Rancho Energy Corp./N3970

Taylor & Taylor/P0561

Tomlinson, Sid/P0795 (Well Stat/TA - No Monthly Report)

Vanco Oil Co./P0411

Zepco Inc./P0791 (Well Stat/OPS - No Monthly Report)

Zion Oil Co. of Nevada/P0792

CARBON CONT.

N3970/Rancho Energy Corp. 43-007-30009/Sec. 27, T. 15S, R. 10E - AEC Miller Creek #4 -SGW TD 8651'/Last Insp. 5-16-91 (Surety #4690043/\$5,000 Issued by Safeco Ins. Co. of America)

EMERY

P0126/Carbon Emery Producers
43-015-15118/Sec. 35, T. 19S, R. 7E - Tidwell 1-A - SOW
TD 1470'/Last Insp. 6-28-91
(Surety/\$10,000 Issued by Earl V. Hills & L. W. Peterson)

GRAND

N9745/Broadhead, M. D. 43-019-31033/Sec. 24, T. 21S, R. 23E - Gibralter #1 - SOW TD 742'/Last Insp. 5-9-90 (Surety #19-0130-10326-83-1/\$5,000 Issued by United States Fidelity)

P0397/Caltah Oil Co. 43-019-11533/Sec. 24, T. 21S, R. 23E - Fee #1 - SOW TD 568'/Last Insp. 5-9-90 (No Bond)

43-019-11534/Sec. 24, T. 21S, R. 23E - Kenmore #24-106 - SOW TD 771'/Last Insp. 5-9-90 (No Bond)

43-019-20383/Sec. 24, T. 21S, R. 23E - Kenmore #24-114 - SOW TD 1260'/Last Insp. 5-9-90 (No Bond)

43-019-20381/Sec. 24, T. 21S, R. 23E - Kenmore #24-25 (#5) - SOW TD 549'/Last Insp. 5-9-90 (No Bond)

P0794/D & D Oil Co. 43-019-15005/Sec. 24, T. 21S, R. 23E - Roy Cook #1 - SGW TD 605'/Last Insp. 5-9-90 (See Bond File *Vanco Oil Company, D & D Oil Company, Dan Vanover)

43-019-31184/Sec. 24, T. 21S, R. 23E - Murray #1 - SOW Prop. TD 600'/Last Insp. 5-9-90 (See Bond File *Vanco Oil Company, D & D Oil Company, Dan Vanover)

43-019-15003/Sec. 24, T. 21S, R. 23E - Murray #3 - SOW TD 565'/Last Insp. 5-9-90 (See Bond File *Vanco Oil Company, D & D Oil Company, Dan Vanover)



State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT Governor

OLENE S. WALKER Lieutenant Governor

April 16, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6259

Linda Conde Wesley Pettingill Company Route 3, Box 3091 Roosevelt, Utah 84066

Re: <u>Extended Shut-in and Temporary Abandoned Well Requirements for Fee</u> or State Leases.

Dear Ms. Conde:

Wesley Pettingill Company, as of April 2004, has one (1) Fee Lease Well (see attachment A) that is currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

- 1. Reasons for SI/TA of the well (R649-3-36-1.1).
- 2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
- 3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).



Page 2 April 16, 2004 Linda Conde

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).

- 1. Wellbore diagram, and
- 2. Copy of recent casing pressure test, and
- 3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
- 4. Fluid level in the wellbore, and
- 5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet Petroleum Engineer

jc

cc:

John Baza Well File

| ı | Well Name | API | Lease Type | Years Inactive |
|---|---------------|--------------|------------|------------------|
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- 2 apace for State use only?

TO:17753330225

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| | STATE OF UTAH | | FORM 9 |
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RECEIVED AUG 27 2004

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

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THIS SUNDRY IS BEING RETURNED UNAPPROVED; INSUFFICIENT OF THE REQUESTED ACTION.

AUG 3 0 2004

Utah Division of Oil Gas and Mining

_September 1, 2004

| STATE OF UTAH | FORM 9 |
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| DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING | 8. LEASE DESIGNATION AND SERIAL NUMBER: |
| | ADT 443019 31033 |
| SUNDRY NOTICES AND REPORTS ON WELLS | 8. IF INDIAN, ALLOTTINE OR TRIBE NAME |
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| WESLEY PETINGELL N7/90 | 43-019-31033 |
| PO 58 CITY RIVERTON STATE UT IN 84065 435 725 COLI | 16. FIELD AND POOL OR WILDCAT: |
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| Carlene Russell | SEP 0 3 2004 |
| Division of Oil, Gas and Mining Earlene Russell, Engineering Technician | DIV. OF OIL, GAS & MINING |
| NAME PLEASE PRINTING WE SLEY PETINGELL THE | |
| SIGNATURE Wasley fellingill DATE 8/30/04 | + |

Mar/Reg Oil Company

September 8, 2004

K. Michael Hebertson Manager, Hearings & Enforcement Utah Department of Oil Gas & Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801

Subject: Change of Operator

Dear Mr. Hebertson:

Enclosed please find the sundry notice from us for the change of operator. We have been informed that the existing operator has already filed his notice of change of operator. As the files on the Gibraltar well shows, the county deed was for the oil and gas lease on the well. See copy of deed enclosed. You have a copy of the deed in the state files. We have also enclosed a copy of the assignment from Pettingill to us.

I will appreciate if the operator is changed on this well.

Sincerely,

Tariq Ahmati

RECEIVED
SEP 1 0 2004

P.O. Box 18148 Reno, Nevada 89511 Phone: 775 852-7444 Fax: 775 851-1138

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DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL GAS AND MINHOR



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| 4. LOCATION OF WELL (Report location See also space 17 below.) At surface | | 7 State requirements. | 10. PIBLD AND FOO | • • |
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| • | | • | T215, R2 | 3E, Sec. 24 |
| 14. PERMIT NO. | 18. MAYATIONS (Show whether c | 12 Pt 48 -44 | 12. COUNTY OR PA | |
| 43-019-31033 | | in in an are) | Grand | UT |
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| NOZICE OF INTE | ppropriate Box To Indicate | | SEQUENT REPORT OF: | |
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| 18. I hereby certify that the foregoing | is true and correct | | | |
| SIGNED TO BES | Dlas Quites_ | | DATE | 124 1. 1986 |
| (This space for Federal or State of | See use) | | | |
| APPROVAL IS OF APPROVAL IF | ANT: | | DATE | |

47

7. Leases shall have the right at any time without Leaser's consent to surrender all or any portion of the leased premises and it obligation as to the acreege surrendered. Leases shall have the right at any time during or after the expiration of this lease to all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn new on

S. The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heira, successor and assigns of the parties hereof, but no change or division is evenerably of the land, rentals or royalises, however accomplished, shall operate to on Lasece until Lance, shall be rights of Lesece. No change in the conversable of the land, or any interest therein, shall of any transfer, reason shall be furnished with a certified copy of any transfer, and the proposed state of the same of t

be relieved of all obligations with respect to the aerigned portion or portions arising subsequent to the date of assignment.

9. All express and implied covenants of this issue, both hefere and after production is obtained upon the issued premises, shall be pire, terminate or be forfeited in whole or dears, rules and regulations, and notwithstanding anything herein is the contrary, this issue shall of the contrary term herein the contrary terminate or be forfeited in whole or heart, nor shall be been hisbe for dampers for failure to comply only or provisions of the primary term hereof, the primary terminate or requisition. If drilling one any of said covenants or provisions of the primary term hereof, the primary terminated in the contrary term hereof, the primary terminates are contracted to the full term of such a prevention and for a period of one (1) year after such law, order, rule or requisition, assign as resulting in the delay, hindrance of prevention, and the said provides the provision of the primary terminates of the spiral primary term and during the primary terminates of the properties of the hindrance or provention, continue to the tendered during the primary term herefundowe mentioned as the said such that the primary term herefundowe mentioned as the said them subject to this lease on each as terminal paying state of provides of this losse and the payment and delete a remail payment paid the provisions of this losse and the payment terms of this lease become due and payable or until drilling over the provision of the total terms of the lease by reason of the remarked during the primary term hereinabove mentioned at the provision of the total terms of the proposition of the provisions of this losse and the payment the provisions of the total terms of

If, during the term of this lesse, off or gas or other mineral is discovered upon the lessed premises, but Lesses is prevented from preducing the presence of any of the aforementioned laws, orders, rules or regulations, this lease shall nevertheless be considered as preducing and shall never in fall force and effect until Lesses is permitted to produce the ell, gas or other mineral and as long thereafter as such production constituted as clearwhere herein provided.

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16

TAN DEED

St. Po. 32 Pro. 22 Pro

GRAND County, a body corporate and politice (Politic) of the State of Utah, granter, hereby conveys to WELLY PETTINGILL
grantee, of EL. DUCHESHE, UT the following described The County, Utah:

API. NO. 43-012-31033 F.6.W.,
Wall No. Albratter # F.6.W.,
NW NE. Sec 24, T215, R232, SLEM

API. NO. 40-010-31089
HELE NO. 010-31089
HELE NO. 010-31089
SE NN. Sec 24, 7215, 1236

County of Grand

By Jana County Clark-Auditor

State of Utan County of __crand

53°

On this 4th day of JUNE 19.91, personally appeared before me FRM IGNESTIO who being by me duly sworn did say that he sit the duly elected, qualified and acting County Clerk of CRAND County, and that said instrument was signed in behalf of CRAND County by authority of the laws of the State of Utali, and said FRAN TOWNSEND saknowledged to me that GRAND County duly executed the same.

MOAB, GRAND

.....County, Utch

MELLY CO., 38 W. NIHTH ED.,

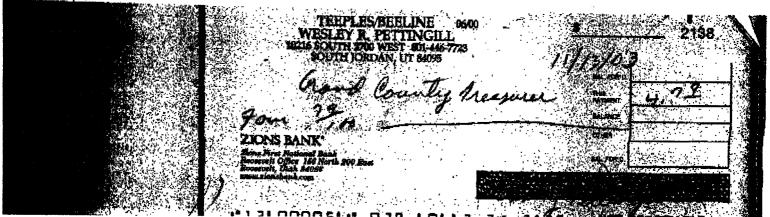
BOOK481 Page 388

AUG-20-04 10:27 AM **2003**

GRAND COUNTY REAL PROPERTY TAX NOTICE

2003

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ASSIGNMENT OF INTEREST AND QUIT CLAIM DEED

FOR TEN DOLLARS AND IN CONSIDERATION of good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, WESLEY PETTINGILL, does hereby quit claims, transfers, assigns and convey to PACIFIC ENERGY & MINING COMPANY and its successors and assigns, 100.00% of its right title and interest in and to the following acreage located in Grand County, State of Utah set forth below.

In Township 21 South, Range 23 East

Section 24: Well Name Gibraltor No. 1

400 nll (NTEREST IN SecTION 24

IN WITNESS WHEREOF, the undersigned owner and assignor has signed and sealed this instrument this day of August _____, 2004.

7 - .

Wesley Pettingill

By Wesley Telling Wesley Pettingill

STATE OF UTAH) ss. COUNTY OF SALT LAKE)

On this <u>Ol</u> day of <u>September</u>, 2004, personally appeared before me Wesley Pettingill, being first duly sworn upon oath and acknowledged to me that he signed the foregoing Assignment.

JERALYNE LARSEN

980 East Fort Union Blvd

Midwille, UT 84047

My Chamissic Lactics

Notamber 23, 2004

STACE OF CEACH

Josepher Laure

FORM 9

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OU. CAS AND MINING

DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION AND SERIAL NUMBER: 43-019-31033 6. IF INDIAN, ALLOTTEE OR TRIBE NAME **SUNDRY NOTICES AND REPORTS ON WELLS** 7. UNIT or CA AGREEMENT NAME-Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. 1. TYPE OF WELL 8. WELL NAME and NUMBER: OIL WELL GAS WELL | OTHER GIBRALTOR NO 1 2. NAME OF OPERATOR: 9. API NUMBER: MARIREG OIL COMPANY 43-019-31033 3. ADDRESS OF OPERATOR: 10. FIELD AND POOL, OR WILDCAT: PHONE NUMBER: CITY RENO PO 1814B 775 852 7444 Cisco STATE NU ZIP 89711 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1274 FNL 2192 FEL COUNTY: G-RAND QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW NE 24 T 25 & 23 E STATE: **UTAH** CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF SUBMISSION TYPE OF ACTION ACIDIZE DEEPEN REPERFORATE CURRENT FORMATION NOTICE OF INTENT (Submit in Duplicate) ALTER CASING FRACTURE TREAT SIDETRACK TO REPAIR WELL Approximate date work will start: CASING REPAIR **NEW CONSTRUCTION** TEMPORARILY ABANDON CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBING REPAIR CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK WATER DISPOSAL (Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-OFF Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. PETTING GILL CHANGE OF OPERATOR FROM WES APPROVED 10 21 2004 Carlene Russell Division of Oil. Gas and Mining Earlene Russell. Engineering Technician TARIQ Attm 40 Znaineer NAME (PLEASE PRINT) 8/04 SIGNATURE DATE

DIV. OF OIL, GAS & MINING

(This space for State use only)

TERRY R. SPENCER

Attorney at Law
A Professional Corporation
140 West 9000 South
Suite 9
Sandy, Utah 84070
Telephone: (801) 566-1884
Fax: (801) 562-5151

September 10, 2004

RECEIVED
SEP 1 5 2004

Dean Christensen Tariq Ahmad

DIV. OF OIL, GAS & MINING

Re: Attorney's Opinion in Gibralter No. 1 Well, Greater Cisco Field

Gentleman:

The following background information was used to generate this opinion as to the ownership of the Gibralter No. 1 Well in question:

Well Name: "Gibralter No. 1" Field: "Greater Cisco" API No. 43-019-31033

Based on the documents provided, as well as information provided by the Grand County Recorder's Office, and the Utah Department of Natural Resources, Division of Oil, Gas, and Mining, the following series of events has occurred:

- 1. On August 10, 1979, Dan Vanover, a resident of Cisco, Utah, executed an "Oil & Gas Lease" in favor of J.D.M. Drilling, Inc., of 814 South 7th Street, Grand Junction, Colorado. This Lease included the parcel of property described as Section 24, T21S, R23E. This Lease was recorded in the Grand County, Utah Recorder's Office. A copy of the Oil & Gas Lease is attached hereto as Exhibit "A."
- 2. On February 1, 1985, Dan Vanover, a resident of Cisco, Utah, executed an Oil & Gas Lease in favor of Master Petroleum and Development, Inc., of 814 South 7th Street, Grand Junction, Colorado. This Lease included the parcel of property described as Section 24, T21S, R23E. This Lease was also recorded in the Grand County, Utah Recorder's Office. A copy of the Oil & Gas Lease is attached hereto as Exhibit "B."
- 3. Sometime prior to May 1, 1986, the Well known as "Gibralter No. 1" and identified under permit (API No. 43-019-31033), and located in the arcel known as Section 24, T21S, R23E, was drilled by Walter D. Broadhead, or a company associated with Mr. Broadhead. On May 1, 1986, Mr. Broadhead notified the State of Utah, Department of Natural Resources, Division of Oil, Gas & Mining, in writing, that he would no longer be the "operator" of the Gibralter No. 1 Well. A copy of this Notice Document is attached hereto as Exhibit "C."

- 4. On March 22, 1988, Grand County executed an Oil & Gas Lease in favor of Walter D. Broadhead, an individual, of 1645 North 7th Street, Grand Junction, Colorado. This Lease included the parcel of property described as Section 24, T21S, R23E. This Lease was also recorded in the Grand County, Utah Recorder's Office. A copy of the Oil & Gas Lease is attached hereto as Exhibit "D."
- 5. According to the records of the Utah Department of Natural Resources, Division of Oil, Gas & Mining, there was no action (royalty payments or otherwise) related to the subject Section 24, T21S, R23E, from March 22, 1988 until June 4, 1991. The Grand County Recorder's Office also had no action (tax payments or otherwise) from March 22, 1988 to June 4, 1991.
- 6. On June 4, 1991, the "Oil & Gas Lease" identified as the "Gibralter No. 1" Well, located in Section 24, T21S, R23E, which was part of the prior Oil & Gas Lease purchased by Walter D. Broadhead in 1988, and was sold via a "Tax Deed" to Wesley Pettingill. A copy of the Tax Deed, recorded in Grand County, Utah, on June 5, 1991, is attached hereto as Exhibit "E."
- 7. According to Steve Snyder, employee of the State of Utah, Department of Natural Resources, Division of Oil, Gas & Mining, in a conversation held with the undersigned on September 10, 2004, the current "operator of record" of the subject Well is Wesley Pettingill. Mr. Snyder continued, by stating that Mr. Pettingill's position as "operator of record" does not automatically give Mr. Pettingill either the surface or subsurface mineral rights on private fee simple property, as those rights are subject to property ownership records recorded in the Grand County Recorder's Office.
- 8. Thus, because Mr. Pettingill purchased the Oil & Gas Lease held by Walter Broadhead, via payment for the Tax Deed in 1991, Mr. Pettingill, who continued to pay the taxes on said Oil & Gas Lease, as evidenced by the 2003 Grand County Real Property Tax Notice, attached hereto as Exhibit "F," was also the record owner of the oil and gas rights for the Gibralter No. I Well, as of June 4, 1991. (This finding is consistent with the ordinary use of the word "Lease" (defined at www.co.blm.gov/oilandgas.leaseinsteruct.htm). A "Lease" grants the holder the following: "The lease grants the lessee the right to explore and drill for, extract, remove and dispose of oil and gas deposits . . . that may be found in the leased lands.")
- 9. Thus, it appears that Mr. Pettingill's execution of the document "Assignment of Interest and Quit-Claim Deed," attached hereto as Exhibit "G," transferred to Pacific Energy and Mining Company the right to operate, drill for, extract, remove and dispose of oil and gas deposits that may be found in the "Gibralter No. 1" Well, located in Section 24, T21S, R23E.

If you have any questions, please do not hestitate to call.

Sincerely,

Terry R. Spencer Attorney at Law

| | OIL AND GAD BEACH |
|--------------|--|
| | AGRESMENT Made and entered into the 10 TH day of AUGUST 1979 by and between MR DAN UNIOCO PO Box 301, CISCO, UTAH party of the first part, hereinafter called lessor (whether |
| | by and between Mg. Day Vanouse |
| | PO Box 301, CISO, UTAH |
| | of party of the first part, hereinafter called lessor (whether one or more) and J.D.U.Deluly Co. 814 S.77th Geard Down Colon, party of the second part, hereinafter called lessee. |
| 0 | J. D. M. DRILLING CO SHY STTH GRAND JONNICO COLO. party of the |
| 1 1.5 | one or more and and second part, bereinafter called lessee. |
| AECOROER | WITNESSETH, That the said lessor, for and in consideration of the covenants and agreements hereinafter concash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, lessed and let and by these presents tained on the part of lessee at le unto the said lessee, for the sole and only purpose of mining and operating for oil does grant, demise, lease and let unto the said lessee, for the sole and only purpose of mining and operating for oil does grant, demise, lease and let unto the said lessee, for the sole and only purpose of mining and operating for oil does grant letter the sole and building tanks, power stations and structures thereon to produce, save and take |
| E NE | care of said products, all that certain tract of land situate in the County of Said Said Said |
| 14 20 A | State of OTAH described as follows, to-wit: N/S NE YI, NE YI, NE YI, NE YI, SECZH. TZ JS R Z 3 E WYZ NWYI CLOTS 1 & Z SEC 19 T Z TS, R Z H E |
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| 1 25 | · · · · · · · · · · · · · · · · · · · |
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| 3 ~ 1 | the gasoline that such gas may be converted into and market the LOTH day of ALGUST 1980. If no well be commenced on said land on or before the LOTH day of ALGUST 1980. |
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| 767 7907 | deferring the commencement of a well for |
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| | If said lessor owns a less interest in the above described and that the third the proportion which his therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his therein, then the royalties and undivided fee. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon the royalties of lessor. |
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| | to produce and/or market any products from the reason products from the reason products from the reason from the lease shall remain in full force and effect. |

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| eferring the commencement tenders the commencements the commencements assively. And it is unde | ent of a well for | months fi ther deferred the considera id first rents | rom said date. It for a like periodic tion first recite I is payable as s | n like manner and to d of the same numb d herein, the down Moresaid, but also (| pon like payment er of months suc- payment, covers the lessee's option |
| een paid, this lease shall nonths shall resume the and it is agreed that upon | I terminate as to both pa payment of rentals in the n the resumption of the p | same amous ayment of re | nt and in the sai ntals, as above ; thereof, shall co | me manner as here provided that the is- entinue in force jus | inbefore provided. st preceding para- t as though there |
| raph hereof, governing and been no interruption If said lessor owns a | in the rental payments. less interest in the above | e described la | and than the en be paid the less | tire and undivided or only in the pro | fee simple estate portion which his |
| Lessee shall have the | right to use, free of cost, | gas, oil and | water produced | bit Baid tand to: 1- | |
| No well shall be dri | lied nearer than 200 feet | ••• | 1 | | mentes installes |
| Lessee shall pay for Lessee shall have the | damages caused by its op e right at any time to ren nove casing. | nove all mach | inery and fixtur | es piaced on said I | part is expressly |
| | e right at any time to ren move casing, er party hereto is assigne ererof shall extend to the of the land or assignmen ished with a written trans se shall be assigned as to or parts shall fail to make default, shall not operate; | | | | |
| said lands upon which the Lessor hereby warreshall have the right at a | se shall be assigned as to r parts shall fail to make default shall not operate; le said leasee or any assig ants and agrees to defen ny time to redeem for les yent of default of paymer Gas Lease: | the title to sor, by paym at by lessor, | t's launt herein et : mortga ind be subrogate | described, and am ges, taxes or other d to the rights of | ees that the lessee liens on the above the holders thereof. |
| This lease shall not | be terminated, in whole of or implied covenants he | reof, if comp | liance therewith | is prevented by, o | r if such failure is the primary term |
| any of the above recited the rental provision her ring ninety (90) or mor- to produce and/or marke lease shall remain in fu | of shall be extended auto e days following the remo at any products from the l | a well on the matically fro lyal of such d eased premise | m year to year u lelaying cause. I ea by reason of | ntil the first annive puring any period t any of the above | rsary hereof occur- hat lessee is unable recited causes, this |
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| In Testimony Wher | eof We Sign this the | 5 | Om | Van | (SEAL) |
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STATE OF UTAH DIVISION OF OIL, GAS AND MINING OIL AND GAS PROGRAM



| PHONE CONVERSATION DOCUMENTATION FORM | | | | | |
|--|---|--|--|--|--|
| Conversation Pertains to: | ✓ Copy? □ | | | | |
| ⊠ WELL Gibralter 1 | □ OTHER | | | | |
| Section 24 Township 21S Range 23E API Number 43-019-31033 | | | | | |
| Topic of Conversation: Lease type of well in response to B Date of Phone Call: 12/23/2003 Time: 8 | | | | | |
| DOGM Employee (name): Earlene Russell Spoke with: | ✓ Initiated Call? □ | | | | |
| Name: Linda Condie (Agent for Wesley Pettingill) Of (company/organization): Wesley Pettingill | ✓ Initiated Call? Phone: (435) 725-0011 | | | | |

Highlights of Conversation:

12/23/03 Linda left message they believe this is a state lease - not fee. Therefore, no bond increase should be due. Please return call.

12/30/03 ER pulled file for review. Everything in file shows "Fee" lease. Mr. Pettingill bought at tax sale 1991. Well was abandoned in SI status by MD Broadhead 1985 (Sundry showing as of 5/1/86 he no longer owns well but did not give new operator, etc).

10:00 am 12/30 returned call to Linda. Due to purchase at Tax Sale, they assumed ownership was the State; not an individual. They do not know who owns mineral rights but was certain the "State" should know who does own mineral lease rights as well has been shut-in for so long.

RESULT: They will research "ownership" to see who would get royalties. Linda understands bonding is for operator and this is a fee well.

STATE OF UTAH

| DIVISION OF OIL, GAS AND MINING | 5. LEASE DESIGNATION AND SERIAL NUMBER: APT 43-019-31033 |
|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 7. UNIT or CA AGREEMENT NAME: |
| OIL WELL GAS WELL OTHER | 8. WELL NAME and NUMBER: GIBRACTUR NO 1 |
| 2. NAME OF OPERATOR: WES PETINGILL | 9. API NUMBER: 43-019-31033 |
| 3. ADDRESS OF OPERATOR: PHONE NUMBER: | 10. FIELD AND POOL, OR WILDCAT: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1274 FNL 2192 FEL NW/NE | COUNTY: GRAND |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SEC 24 721 R23E | STATE: UTAH UTAH |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPOR | RT, OR OTHER DATA |
| TYPE OF SUBMISSION NOTICE OF INTENT (Submit in Duplicate) ACIDIZE ACIDIZ | REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON TUBING REPAIR VENT OR FLARE WATER DISPOSAL WATER SHUT-OFF OTHER: PERMITER etc. |
| 9/29/2 | RECEIVED SEP 2 9 2004 DIV. OF OIL, GAS & MIRANO Congress. |
| ARRONATION DATE //21/85 | 7 |
| © space for State use only) OF UTAH DIVISION OF OU GAS AND MINING | |

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

| ROUTING |
|---------|
| 1. GLH |
| 2. CDW |
| 3. FILE |

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

| The operator of the well(s) listed below has changed, effective: | | | | 9/1/2004 | | | | |
|---|--------------|----------|--------------|--------------------|--------------|-------------|----------|------------|
| FROM: (Old Operator): | | | | TO: (New O | perator): | | | |
| N7190-Wesley Pettingill | | | i | N8195-MAR/ | | pany | | |
| Rt 3 Box 3091 | | | | | ox 18148 | ¥ J | | |
| Roosevelt, UT 84066 | | | | Reno, | NV 89511 | | | |
| Phone: 1-(435) 725-0011 | | | | Phone: 1-(775 |) 852-7444 | | | |
| CA No. | | | | Unit: | | | | |
| WELL(S) | | | | | | | | |
| NAME | SEC | TWN | RNG | API NO | ENTITY | LEASE | WELL | WELL |
| Carpa Az man d | <u> </u> | 1 | T | | NO | TYPE | TYPE | STATUS |
| GIBRALTER 1 | 24 | 210S | 230E | 4301931033 | 11319 | Fee | OW | S |
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| OPED ATOD OH ANCES DOCUMENT | | ON | | | | | | |
| OPERATOR CHANGES DOCUMENT Enter date after each listed item is completed | AII | UN | | | | | | |
| 1. (R649-8-10) Sundry or legal documentation was | ac ren | eived f | rom the | FORMED on | erator on | 9/3/2004 | | |
| | | | | | | 9/10/2004 | - | |
| 2. (R649-8-10) Sundry or legal documentation was | as rec | eiveu i | iom me | INE W Operator | i on; | 9/10/2004 | • | |
| 3. The new company was checked on the Depart | ment | of Cor | nmerce | , Division of C | Corporations | Database oi | n: | 10/21/2004 |
| 4. Is the new operator registered in the State of U | | | | Business Num | - | 267708-014 | | |
| 5. If NO, the operator was contacted contacted or | | | | • | ==+ | | • | |
| | | | | | | | | |
| 6a. (R649-9-2)Waste Management Plan has been re | eceive | ed on: | | | | | | |
| 6b. Inspections of LA PA state/fee well sites comp | olete o | n: | | n/a | | | | |

| The BLM or BIA has approved the successor of unit operator for wells listed on: Na | 7. | Federal and Indian Lease Wells: The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a |
|--|----|--|
| The BLM or BIA has approved the operator for all wells listed within a CA on: n/a | 8. | |
| Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: | 9. | The DIAC DIAL CONTRACTOR OF THE CONTRACTOR OF TH |
| Changes entered in the Oil and Gas Database on: 10/21/2004 Changes have been entered on the Monthly Operator Change Spread Sheet on: 10/21/2004 Bond information entered in RBDMS on: 10/21/2004 Fee/State wells attached to bond in RBDMS on: 10/21/2004 Injection Projects to new operator in RBDMS on: n/a Receipt of Acceptance of Drilling Procedures for APD/New on: n/a PEDERAL WELL(S) BOND VERIFICATION: Federal well(s) covered by Bond Number: n/a NDIAN WELL(S) BOND VERIFICATION: Indian well(s) covered by Bond Number: n/a PEE & STATE WELL(S) BOND VERIFICATION: (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number 91000055075552 The FORMER operator has requested a release of liability from their bond on: 10/21/2004 EASE INTEREST OWNER NOTIFICATION: (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/21/2004 | 10 | · , |
| Changes have been entered on the Monthly Operator Change Spread Sheet on: 10/21/2004 | D/ | ATA ENTRY: |
| Bond information entered in RBDMS on: 10/21/2004 | 1. | Changes entered in the Oil and Gas Database on: 10/21/2004 |
| . Fee/State wells attached to bond in RBDMS on: . Injection Projects to new operator in RBDMS on: . Receipt of Acceptance of Drilling Procedures for APD/New on: . Receipt of Acceptance of Drilling Procedures for APD/New on: . Receipt of Acceptance of Drilling Procedures for APD/New on: . Pederal well(s) BOND VERIFICATION: . Federal well(s) covered by Bond Number: . Indian well(s) covered by Bond Number: . Indian well(s) covered by Bond Number: . (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number The Division sent response by letter on: . (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: . (R649-2-100 The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: . (R649-2-100 The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: . (R649-2-100 The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: . (R649-2-100 The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: . (R649-2-100 The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: . (R649-2-100 The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: . (R649-2-100 The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interes | 2. | Changes have been entered on the Monthly Operator Change Spread Sheet on: 10/21/2004 |
| Injection Projects to new operator in RBDMS on: Receipt of Acceptance of Drilling Procedures for APD/New on: Receipt of Acceptance of Drilling Procedures for APD/New on: Note | 3. | Bond information entered in RBDMS on: 10/21/2004 |
| Receipt of Acceptance of Drilling Procedures for APD/New on: Patternal Content of Acceptance of Drilling Procedures for APD/New on: Patternal Content of Acceptance of Drilling Procedures for APD/New on: Patternal Content of Acceptance of Drilling Procedures for APD/New on: Patternal Content of Acceptance of Bond Number: n/a | 4. | Fee/State wells attached to bond in RBDMS on: 10/21/2004 |
| REDERAL WELL(S) BOND VERIFICATION: Federal well(s) covered by Bond Number: Indian well(s) covered by Bond Number: Indian well(s) covered by Bond Number: REE & STATE WELL(S) BOND VERIFICATION: (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number 91000055075552 The FORMER operator has requested a release of liability from their bond on: The Division sent response by letter on: LEASE INTEREST OWNER NOTIFICATION: (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/21/2004 | 5. | Injection Projects to new operator in RBDMS on: |
| NDIAN WELL(S) BOND VERIFICATION: Indian well(s) covered by Bond Number: NEE & STATE WELL(S) BOND VERIFICATION: (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number The Division sent response by letter on: NEASE INTEREST OWNER NOTIFICATION: (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/21/2004 | 6. | Receipt of Acceptance of Drilling Procedures for APD/New on: n/a |
| NDIAN WELL(S) BOND VERIFICATION: Indian well(s) covered by Bond Number: PEE & STATE WELL(S) BOND VERIFICATION: (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number 91000055075552 The FORMER operator has requested a release of liability from their bond on: The Division sent response by letter on: LEASE INTEREST OWNER NOTIFICATION: (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/21/2004 | FF | DERAL WELL(S) BOND VERIFICATION: |
| Indian well(s) covered by Bond Number: n/a | 1. | Federal well(s) covered by Bond Number: n/a |
| FEE & STATE WELL(S) BOND VERIFICATION: . (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number 91000055075552 . The FORMER operator has requested a release of liability from their bond on: The Division sent response by letter on: LEASE INTEREST OWNER NOTIFICATION: . (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/21/2004 | IN | DIAN WELL(S) BOND VERIFICATION: |
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| . (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/21/2004 | | |
| OMMENTS: | | (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division |
| | CC | MMENTS: |
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FORM 9

| | STATE OF UTAH | il-water. | FORM 9 |
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| | DEPARTMENT OF NATURAL RESOL DIVISION OF OIL, GAS AND M | | 5. LEASE DESIGNATION AND SERVAL NUMBER |
| SUNDRY | NOTICES AND REPORT | rs on Wells | IL IF BROWN, ALLOTTEE OR TRIBE NAME |
| De not use this form for proposals to still a | nyw wolls, eignificantly despon anisting wells below a reamen. (law, 1991) WATWAL SOR SETERIT TO 1981 i | aumant bollom-hole dispth, neemer plugged wells, or to L. form for such proposals. | 7. UNIT OF CA AGREEMENT NAME: |
| . TYPE OF WELL OIL WELL | | | 8. WELL NAME and NUMBER |
| • | | | Gubralton No 1 |
| | IREG OIL COMPANY | • | R APINUMBER 43-019-31033 |
| NO 1817B CEL | , RENG STATE NU Z | PHONE NUMBER | 10. FIELD AND POOL, OR WILDCAT: |
| LOCATION OF WELL | | SW/NE | |
| FOOTAGES AT SURFACE. | | | COUNTY: Design of the county |
| CTRICITE, SECTION, TOWNSHIP, RAI | KAE, MERIDANI, TYLVINE 774 745 | | STATE |
| . CHECK APP | ROPRIATE BOXES TO INDICA | TE NATURE OF NOTICE, REP | ORT, OR OTHER DATA |
| TYPE OF SUBMISSION | | TYPE OF ACTION | |
| NOTICE OF INTENT | ACIDIZE | DEEPEN | REPERFORATE CLIRRENT FORMATION |
| (Submit in Duplicate) | ALTER CASING | FRACTURE TREAT | SIDETRACK TO REPAIR WELL. |
| Approximate data work will start | CASING REPAIR | MEW CONSTRUCTION | TEMPORARILY ABANDON |
| | CHANGE TO PREVIOUS PLANS | OPERATOR CHANGE | TUBING REPAIR |
| | CHANGE TUBINS | PLUG AND ABANDON | VENTOR PLANE |
| SUBSEQUENT REPORT (Submit Original Form Only) | CHANGE WELL NAME | PLUGBACK | WATER DISPOSAL |
| Date of work completion: | CHANGE WELL STATUS | PRODUCTION (STARTIRESUME) | WATER SHUT-OFF |
| • | COMMINGLE PRODUCING FORMATIONS CONVERT WELL TYPE | RECLAMATION OF WELL SITE RECOMPLETE - DIFFERENT FORMATIO | |
| DESCRIBE PROPOSED OR O | OMPLETED OPERATIONS. Clearly show at | t perlinera details including dates, deuttes, vols | |
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(This apace for State use only)

FAX NO.: 7753330225

Oct. 21 2004 09:01AM P2

OCT-6-2024 16:07 FROM:

P. 1

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WELL COMPLETION REPORT

WELL: GIBRALTAR#1

LOCATION: SECTION 24 (SENW), T218, R23E

BOTTOM OF HOLE: 695'

TUBING SET: 21 JOINTS TO 663' 10" - TUBING MEASURED END OF

COLLAR TO TOP OF THREADS

RODS: 26 - 5/8" RODS

1-8 FT PUMP - 41" STROKE

SEATING NIPPLE 12"

WELL-HEAD: HINDERLIGHTER - 4 1/2" SET ON 4" NIPPLE, WITH

INTERNAL SLIPS, 1 SET OF PLATES ON SLIPS, RUBBER GASKET, WITH TWO METAL PLATES UNDER RED HEAD

PUMPING TEE: PRESSURE "T" WITH 1" RUBBERS (3 INSIDE OF TUBING HEAD)

POLISH ROD: 12' LONG - 1" DIAMETER

STATE UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

| DIVISION OF OIL, GAS AND MINING | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to TYPE OF WELL TYPE OF WELL | 7. UNIT or CA AGREEMENT NAME: |
| OIL WELL GAS WELL OTHER | 8. WELLNAME and NUMBER: |
| NAME OF OPERATO- Hah NATUVAL GAS TAKE | 9. API NUMBER: |
| 140 West 9000 So, S-9, Sandy, V+84170 PHONE NUMBER: 801-554-2021 | 43-019-310 33 10-FIELD AND POOL, OR WALDCAT: |
| FOOTAGES AT SURFACE: 1274 FNL 2192 FFL | Corenter Cisco |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 5-24 T215 R33E | COUNTY: STATE: |
| . CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPOR | UTAH |
| TYPE OF SUBMISSION TYPE OF ACTION | RT, OR OTHER DATA |
| NOTICE OF INTENT ACIDIZE DEEPEN DEEPEN | REPERFORATE CURRENT FORMATION |
| (Submit in Duplicate) ALTER CASING FRACTURE TREAT | SIDETRACK TO REPAIR WELL |
| Approximate date work will start: CASING REPAIR NEW CONSTRUCTION | TEMPORARILY ABANDON |
| CHANGE TO PREVIOUS PLANS OPERATOR CHANGE | TUBING REPAIR |
| CHANGE TUBING PLUG AND ABANDON | VENT OR FLARE |
| SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK | WATER DISPOSAL |
| Date of work completion: CHANGE WELL STATUS PRODUCTION (START/RESUME) | WATER SHUT-OFF |
| COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE | DO OTHER LOW AL-LID |
| CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION | Testing Of |
| DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, | etc. |
| of Oil Stained Soil, | AND Removal |
| High Desert Excavating Removed 1 | vyls of Contaminate |
| Foil On 21 Jan 06 - and Delinered Site On 1/26/06. Ticket Attached. | to The Solid Was |
| Dete On 1/26/06. Ticket Attachel. | |
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| HE (PLEASE PRINT) DEAN HO (MUSTENSEN) TITLE PROSIDEN | A |
| | <u> </u> |
| NATURE Alle & Chrish DATE 4-1-06 | |
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APR 8 4 2006

| Solid Waste Management Special Services to certify Solid Waste Management Standill from: | vice District #1. The Special Service District Name of Hauler Bill to (if different) | trict #1 for | this statement receiving waste at h Desart. | t No 656 |
|---|--|--------------------|--|-------------------------------|
| | , | | ID# PLATE# | · VUA |
| | (- 1 ± 301 |)#) | The the heading of the contraction of the contracti | GROSS |
| CUBIC YARDS — 10 EICOMPACTED | DUNCOMPACTED | | | TARE |
| DRIVER ON DRIVER OFF | | | | NET |
| I certify under penalty of law I personally examined the conte waste only, not subject to hazardous waste requirements as material in this truck exhibits hazardous characteristics as des listed in 40CFR 261.31, 32, 33, or is a PCB waste regulated und | outlined. I personally certify the | pected every piece | terials discarded in normal r | esidential refuse, none of th |
| Name of Driver | | | | |
| Signature of Driver | Signature of Sit | te Operator | M | |
| Weather: ☑Clear ☐Partly Cloudy ☐Raining ☐ | Snowing | | | No. |
| Winds: Direction ☑Calm 0-15 mph □ | Moderate 15-30 mph E | ∃Heavy +30 n | nph | |
| Comments Crude Dil Divt | | | | |

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

NOTICE OF VIOLATION **OIL AND GAS CONSERVATION ACT**

TO THE FOLLOWING OPERATOR:

| Name: | MAR/REG Oil | Company | | | | | |
|------------|----------------|--------------|--------|--------|---------------------------------------|------|--------------|
| Address: | P. O. Box 1814 | 8 | | | | | |
| City: | Reno | | State: | Nevada | · · · · · · · · · · · · · · · · · · · | Zip: | <u>89511</u> |
| Company Re | presentative: | Rhonda Ahmad | | | Phone: | 775 | -852-7444 |

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Utah Division of Oil, Gas and Mining, in the course of his or her work, has discovered alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation: This violation has been issued for the following wells;

Well Name: Gibralter 1 API#: 043-019-31033

NWNE Sec 24 T. 21 S, R. 23 E,

This is in violation of the following act, rule, or permit condition:

1) The Oil and Gas Conservation General Rules

R649-3-15. Pollution and Surface Damage Control

The operator shall take all reasonable precautions to avoid polluting lands, streams, reservoirs, natural drainage ways, and underground water. The owner or operator shall carry on all operations and maintain the property at all times in a safe and workmanlike manner having due regard for the preservation and conservation of the property and for the health and safety of the employees and people residing in close proximity to those operations.

The following action should be taken to remedy this violation:

1) Submit a written response within 5 days of receipt of NOV. Response should include an explanation of why incident occurred, how it will be cleaned up and what steps will be taken to prevent another occurrence.

Reports should be submitted to:

Division of Oil, Gas & Mining

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, UT 84114-5801

Resolution deadline: 5 days.

Additional information / materials attached? Yes X

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining.

Failure to resolve this violation as described above, will result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

| Division Representative Signature: | | | Date: | February 11, 2009 |
|------------------------------------|---------------------|--------------------------------|-------|-----------------------|
| Name and Title: | Bart T. Kettle Utal | n DOGM Environmental Scientist | Phone | : <u>435-613-3734</u> |
| (40/2004) | | | | |

(10/2001)

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET (for state use only)

| ROUTING |
|---------|
| CDW |

| X - Change of Operator (Well Sold) | Operator Name Change/Merger | | | | | |
|---|---|--|--------------|------------------------|--------------|----------------|
| The operator of the well(s) listed below has change | 11/1/2013 | | | | | |
| FROM: (Old Operator): Mar/Reg Oil Company N8195 P.O. Box 18148 Reno, NV. 89511 | TO: (New Operator): Hinto Energy, Inc N4070 7609 Ralston Rd Arvada, CO 80202 | | | | | |
| Phone: 1 (775) 852-7444 | | Phone: 1 (303) | 422-8127 | | | |
| CA No. | | Unit: | N/A | W.L. | | |
| | SEC TWN RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
| Gilbrailter 1 | 24 210S 230E | 4301931033 | 11319 | Fee | OW | S |
| OPERATOR CHANGES DOCUMENTA Enter date after each listed item is completed 1. (R649-8-10) Sundry or legal documentation wa 2. (R649-8-10) Sundry or legal documentation wa | s received from the | | | 1/15/2014 1/15/2014 | | |
| 3. The new company was checked on the Departn 4a. Is the new operator registered in the State of U 5a. (R649-9-2)Waste Management Plan has been red | nent of Commerce tah: | • | orporations | | | 1/17/2014 |
| 5b. Inspections of LA PA state/fee well sites complete. 5c. Reports current for Production/Disposition & State of State | ındries on: M and or the BIA h | | merger, na | | BIA | _ N/A |
| The BLM or BIA has approved the successor 8. Federal and Indian Communization Agr The BLM or BIA has approved the operator for 9. Underground Injection Control ("UIC") | reements ("CA") or all wells listed w |): rithin a CA on: | orm 5 Tran | N/A N/A sfer of Author | ity to | |
| Inject, for the enhanced/secondary recovery uni DATA ENTRY: | | | | | N/A | - |
| Changes entered in the Oil and Gas Database C Changes have been entered on the Monthly Op Bond information entered in RBDMS on: Fee/State wells attached to bond in RBDMS on: Injection Projects to new operator in RBDMS on | erator Change Sp | 3/19/2014 read Sheet on: 3/19/2014 3/19/2014 N/A | | 3/19/2014 | | |
| 6. Receipt of Acceptance of Drilling Procedures fo 7. Surface Agreement Sundry from NEW operator BOND VERIFICATION: | | ls received on: | - | N/A Yes | | |
| Federal well(s) covered by Bond Number: Indian well(s) covered by Bond Number: (R649-3-1) The NEW operator of any state/fee The FORMER operator has requested a release | | | mber N/A | 4049504758 | | |
| LEASE INTEREST OWNER NOTIFICA 4. (R649-2-10) The NEW operator of the fee wells of their responsibility to notify all interest owners COMMENTS: | ATION: nas been contacted | and informed by | | m the Division | | |

RECEIVED

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

JAN 1 5 2014

FORM 9

| DIVISION OF OIL, GAS AND MINING | DIV. OF OIL, GAS & MINING SERVE NOMBER: | | | | |
|--|--|--|--|--|--|
| SUNDRY NOTICES AND REPORTS ON W | | | | | |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-ho drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such pr | 7. UNIT or CA AGREEMENT NAME: opposals. | | | | |
| 1. TYPE OF WELL OIL WELL GAS WELL OTHER | 8. WELL NAME and NUMBER: Gibraltor #1 | | | | |
| 2. NAME OF OPERATOR: Mar/Reg Oil Company NG195 | 9. API NUMBER: 4301931033 | | | | |
| 3. ADDRESS OF OPERATOR: | PHONE NUMBER: 10. FIELD AND POOL, OR WLDCAT: | | | | |
| PO Box 18148 CITY Reno STATE NV ZIP 89511 | (775) 852-7444 Greater Cisco | | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1247 FNL 2192 FEL | county: Grand | | | | |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 24 21S 23E S | STATE: UTAH | | | | |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATU | RE OF NOTICE, REPORT, OR OTHER DATA | | | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| Approximate date work will start: CASING REPAIR CHANGE TO PREVIOUS PLANS OPER CHANGE TUBING PLUG CHANGE WELL NAME PLUG CHANGE WELL STATUS PROD COMMINGLE PRODUCING FORMATIONS RECLA | REPERFORATE CURRENT FORMATION TURE TREAT SIDETRACK TO REPAIR WELL CONSTRUCTION TEMPORARILY ABANDON ATOR CHANGE TUBING REPAIR VENT OR FLARE BACK WATER DISPOSAL UCTION (START/RESUME) WATER SHUT-OFF AMATION OF WELL SITE MPLETE - DIFFERENT FORMATION | | | | |
| DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent detail. Change of Operator to be effective the List day of November, 2013, | | | | | |
| Previous Operator: Mar/Reg Oil Company, PO Box 18148, Reno, NV 89511 Ph: 775 852 7444 By: Monda Climal Date: 10/24/201Z Rhonda Ahmad, President New Operator: Hinto Energy Inc. 7609 Ralston Road, Arvada, CO 80202 Ph: 303 668 0199 By: Date: 10/31/13 | | | | | |
| NAME (PLEASE PRINT) Rhonda Ahmad | | | | | |
| SIGNATURE Klivnda alimad | DATE 10/23/2013 | | | | |
| | | | | | |

(This space for State use only)

APPROVED

MAR 1 9 2014

Sundry Number: 49800 API Well Number: 43019310330000

| | STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES | | FORM 9 | | | | |
|--|---|-------------------------------------|--|--|--|--|--|
| ı | 5.LEASE DESIGNATION AND SERIAL NUMBER: FEE | | | | | | |
| SUNDR | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | | | | |
| | sposals to drill new wells, significantly dee reenter plugged wells, or to drill horizontal n for such proposals. | | 7.UNIT or CA AGREEMENT NAME: | | | | |
| 1. TYPE OF WELL Oil Well | | | 8. WELL NAME and NUMBER: GIBRALTER 1 | | | | |
| 2. NAME OF OPERATOR: HINTO ENERGY INC | | | 9. API NUMBER: 43019310330000 | | | | |
| 3. ADDRESS OF OPERATOR: 7609 Ralston Road, Arvada | | ONE NUMBER: 81 Ext | 9. FIELD and POOL or WILDCAT: GREATER CISCO | | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1274 FNL 2192 FEL | | | COUNTY: GRAND | | | | |
| QTR/QTR, SECTION, TOWNSH | HP, RANGE, MERIDIAN: 24 Township: 21.0S Range: 23.0E Meridian | : S | STATE: UTAH | | | | |
| 11. CHECI | K APPROPRIATE BOXES TO INDICATE N | NATURE OF NOTICE, REPOR | T, OR OTHER DATA | | | | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | | | |
| ✓ NOTICE OF INTENT | ACIDIZE | ALTER CASING | CASING REPAIR | | | | |
| Approximate date work will start: 4/18/2014 | CHANGE TO PREVIOUS PLANS | CHANGE TUBING | CHANGE WELL NAME | | | | |
| 4/10/2014 | CHANGE WELL STATUS | COMMINGLE PRODUCING FORMATIONS | CONVERT WELL TYPE | | | | |
| SUBSEQUENT REPORT Date of Work Completion: | DEEPEN | FRACTURE TREAT | ☐ NEW CONSTRUCTION | | | | |
| Bate of Work Completion. | OPERATOR CHANGE | PLUG AND ABANDON | PLUG BACK | | | | |
| SPUD REPORT | PRODUCTION START OR RESUME | RECLAMATION OF WELL SITE | ✓ RECOMPLETE DIFFERENT FORMATION | | | | |
| Date of Spud: | REPERFORATE CURRENT FORMATION | SIDETRACK TO REPAIR WELL | TEMPORARY ABANDON | | | | |
| | TUBING REPAIR | VENT OR FLARE | WATER DISPOSAL | | | | |
| DRILLING REPORT Report Date: | □ WATER SHUTOFF □ | SI TA STATUS EXTENSION | APD EXTENSION | | | | |
| Report Date. | WILDCAT WELL DETERMINATION | OTHER | OTHER: | | | | |
| 12. DESCRIBE PROPOSED OR | COMPLETED OPERATIONS. Clearly show all p | ertinent details including dates, d | epths, volumes, etc. | | | | |
| | te the well at the following dep | | Approved by the Utah Division of | | | | |
| | kota Formation 428-434 feet - Buckhorn Formation 555-560 | | Oil, Gas and Mining | | | | |
| | nding on the findings we may n | | Date: April 09, 2014 | | | | |
| | out are giving notice of our inte | • | Date: 7511 00; 2011 | | | | |
| | tend to begin work on or abou | | By: John Clunt | | | | |
| will file a subseque | nt Sundry Notice with our resul | Its after the work has | | | | | |
| been completed. | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| NAME (PLEASE PRINT) George Harris | PHONE NUMBER 720 399-4981 | TITLE Cheif Executive Officer | | | | | |
| SIGNATURE | | DATE | | | | | |
| N/A | | 4/8/2014 | | | | | |

UTAH DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining Oil and Gas Program 1594 West North Temple, Suite 1210, Box 145801 Salt Lake City, UT 84114-5801 (801) 538-5340 Phone (801) 359-3940 Fax

NOTICE OF VIOLATION STATE OF UTAH OIL AND GAS CONSERVATION ACT

| TO THE FOLLOWING OPERATOR: | 74 | ZIS | 23E | |
|---|-----|----------------------------|----------|--|
| Operator Name: HINTO ENERGY | 2-1 | 213 | | |
| Mailing Address: _ATTN: MR. GEORGE HARRIS | | | | |
| _5350 S. ROSLYN, STE 400 | | | _ | |
| GREENWOOD VILLAGE, CO 80111-2125 | | | - | |
| Well(s) or Site(s):1) _SWEETHEART 14-02 | | _API #: <u>43-019-3145</u> | <u>1</u> | |
| 2) NUGGET 14-4 | | API #: 43-019-3042 | 3 | |
| 3) GIBRALTER 1 | | API #: 43-019-31033 | 3 | |

Date and Time of Inspection/Violation: January 05, 2016

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After five (5) years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3 Bonding – If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36, Shut –in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restorations costs.

Rule R649-3-4.41 Bonding – Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

The Division has previously initiated several contacts with Pacific Energy & Mining Co. (Pacific) requesting required documents and action per R649-3-36. On November 1, 2013 Hinto Energy (Hinto) became the operator of these wells. When Hinto took over the wells, a plan of action was agreed upon to move forward with these wells to keep them out of a non-compliance status. This agreement was sent to the Division on February 5, 2014. Well #1 above has been shut-in for one (1) year and eleven (11) months and is in violation of Rule R649-3-36. Wells #2 & #3 are listed as producing; yet no production reports have been received since September, 2014. This puts them in violation of Rule R649-8, and also brings to question whether wells #2 & #3 are currently shut-in; putting them in violation of Rule R649-3-36. To date, after multiple requests, the Division has not received any response from Hinto concerning compliance matters or field presence.

UTAH DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining Oil and Gas Program 1594 West North Temple, Suite 1210, Box 145801 Salt Lake City, UT 84114-5801 (801) 538-5340 Phone (801) 359-3940 Fax

Well #1 above is in violation of R649-3-36 as stated above, therefore Hinto is required to plug this well or meet the requirements showing good cause and wellbore integrity. Wells #2 & #3 are in violation of R649-8 and are required to report production. If wells #2 & #3 are no longer producing and are currently shut-in, they are also required to meet R649-3-36 and will be required to plug or meet the requirements showing good cause and wellbore integrity. Hinto is required to put up full cost bonding for the wells in violation above per R649-3-4. It is mandatory that Hinto submit all required documentation and plans to the Division by the compliance deadline below.

Immediate Action: For the wells subject to this notice, Hinto shall fulfill full cost bonding. Hinto shall also submit plugging plans / or production reports for the wells contained in this Notice.

* Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions and requests for bond forfeiture and civil penalties.

Compliance Deadline: February 6, 2016

Date of Service Mailing: January 5, 2016 Certified Mail No.: 7014 2870 0001 4232 4795

Division Representative Signature

Operator Representative (if presented in person)

cc: Steve Alder, Assistant Attorney General Compliance File Well Files

1/2013

| Rese | et Form | STATE OF UTAH DEPARTMENT OF NATURAL RESOU | D050 | FORM 9 | | | |
|-------|---|--|---|---|--|--|--|
| | | 5. LEASE DESIGNATION AND SERIAL NUMBER: | | | | | |
| | SUNDR | Y NOTICES AND REPORTS | S ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | |
| Do n | ot use this form for proposals to drill | new wells, significantly deepen existing wells below cur aterals. Use APPLICATION FOR PERMIT TO DRILL t | rrent bottom-hole depth, reenter plugged wells, or to | 7. UNIT or CA AGREEMENT NAME: | | | |
| 1. TY | PE OF WELL OIL WELL | | onn for such proposals. | 8. WELL NAME and NUMBER: | | | |
| | OIL WELL | GAS WELL OTHER_ | | Gibraltar #1 | | | |
| | ME OF OPERATOR: Ito Energy | | | 9. API NUMBER: 4301931033 | | | |
| | DRESS OF OPERATOR: | | PHONE NUMBER: | 10. FIELD AND POOL, OR WILDCAT: | | | |
| | 0 S. Rosalyn St | Greenwood Village STATE CO | | | | | |
| FO | CATION OF WELL OTAGES AT SURFACE: | | | COUNTY: Grand | | | |
| QT | R/QTR, SECTION, TOWNSHIP, RA | NGE, MERIDIAN: NWNE 24 215 2 | 23E | STATE: UTAH | | | |
| 11. | CHECK APP | ROPRIATE BOXES TO INDICAT | TE NATURE OF NOTICE, REPO | RT, OR OTHER DATA | | | |
| 1 | TYPE OF SUBMISSION | | TYPE OF ACTION | | | | |
| | NOTICE OF INTENT | ACIDIZE | DEEPEN | REPERFORATE CURRENT FORMATION | | | |
| | (Submit in Duplicate) | ALTER CASING | FRACTURE TREAT | SIDETRACK TO REPAIR WELL | | | |
| | Approximate date work will start: | CASING REPAIR | NEW CONSTRUCTION | TEMPORARILY ABANDON | | | |
| | | CHANGE TO PREVIOUS PLANS | OPERATOR CHANGE | TUBING REPAIR | | | |
| | | CHANGE TUBING | PLUG AND ABANDON | VENT OR FLARE | | | |
| | SUBSEQUENT REPORT | CHANGE WELL NAME | PLUG BACK | WATER DISPOSAL | | | |
| | (Submit Original Form Only) | CHANGE WELL STATUS | PRODUCTION (START/RESUME) | WATER SHUT-OFF | | | |
| | Date of work completion: | COMMINGLE PRODUCING FORMATIONS | RECLAMATION OF WELL SITE | OTHER: Hot Oil | | | |
| | 2/6/2014 | CONVERT WELL TYPE | RECOMPLETE - DIFFERENT FORMATION | | | | |
| 12 | DESCRIPE PROPOSED OR C | OMBI ETED OBERATIONS. Cloudy show all | pertinent details including dates, depths, volume | | | | |
| | | | | as, etc. | | | |
| we | hot oiled to break dov | vn paraffin build up. Put the well | back on line. | | | | |
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| | | | D | NV. OF OIL, GAS & MINING | | | |
| | | | | White the same of | | | |
| NAME | (PLEASE PRINT) Gary Heri | ck | ππLE Interim President | | | | |
| | 110 11 | | 03.30.2016 | | | | |

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